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U.S. Reviews Policy On Pretoria, Seeks Wider Ties to Blacks

By Bernard Weinraub
New York Times Service
SANTA BARBARA, California
The Reagan administration has
gotten a high-level reassessment
of its policy in South Africa. In-
ternally, in part, to forge closer ties with
black leaders involved in the con-
stitutional process, according to a high-
level administration official. At the
same time, the administration
has quietly established indirect
contact with leaders of the out-
cast African National Congress,
most prominent of the groups
aiming to overthrow the South Af-
rican government, the official said
Saturday.

Pretoria Lets Zulus Hold Township Rally

By Glenn Franklin
Washington Post Service
SOWETO, South Africa —
Chief Buthe's decision to allow
the Zulu National Congress to
address the first political
rally in the township since the
imposed June 12, on Sunday
morning, was a U.S. House of Repre-
sentatives vote favoring economic
sanctions.

After the rally, which was
heavily armed contingents of
Zulu soldiers and police, the
township broke out into
violence. At least two persons were
killed, and scores of others were
injured. At least 34 persons were
arrested.

Conceding a "shift in emphasis"
in U.S. policy, the official indicated
that the United States was moving
quickly to open new channels, es-
pecially to those it considered non-
radical blacks and "various fac-
tions of the white community"
said concern about a worsening
situation in South Africa.

The key goal of U.S. policy, the
official said, remains a dialogue be-
tween blacks and the South African
government.

The overall policy reassessment
has been guided by Secretary of
State George P. Shultz and by Vice
Admiral John M. Poindexter, the
head of the National Security
Council, and their staffs.

A security council directive out-
lining new proposals for U.S. po-
licy in South Africa will reach Presi-
dent Ronald Reagan in "a matter
of weeks," said the official, who is
one of Mr. Reagan's closest aides.

The president is vacationing at his
ranch near Santa Barbara.

Beyond this, the official said,
the Reagan administration was seeking
directly and indirectly, through
United States officials and later
mediators, to establish contact
with black leaders, including Oliver
Tutu, head of the African Na-
tional Congress.

White leaders in South Africa
and some American conservatives
have described the congress as a
puppet of the South African Com-
munist Party, but the U.S. official
said, "We do have contact at various
levels with the ANC."

"If you're going to reach out to
the blacks," the official said,
"you've got to decide what you're
going to do about the ANC."

Some of the South African rep-
resentatives, he added, were rep-
resentatives of the ANC.

The official said that the South
African government was aware of
the U.S. contacts with the under-
ground movement. He replied:
"We just don't advertise it."

Among others, the United States
is also in contact with Chief Buthe,
who claims the support of
South Africa's six million Zulus.

However, administration efforts
to reach out to the blacks may
be hampered by the fact that many
of them are probably in jail, placed
in detention without formal
charges.



Argentina Wins World Soccer Cup

Diego Maradona, captain of Argentina's soccer team, holds the World Cup trophy that his team won on Sunday by defeating West Germany in Mexico City. The Argentinians won, 3-2, even though Maradona did not score. The West Germans were also runners-up in the last championship, in 1982. On Saturday, France defeated Belgium, 4-2, for third place. Details in Sports, Page 18.

Moscow Offers Compromise on Medium Missiles

By Leslie H. Gelb
New York Times Service

WASHINGTON — The Soviet leader, Mikhail S. Gorbachev, has
told President Ronald Reagan that he is prepared to compromise on
the issue of medium-range missiles, according to U.S. officials.

They said the pledge was contained in a letter delivered by Mr. Reagan
on June 22. Although Mr. Gorbachev did not specify the nature of the
compromise, officials called it promising.

Mr. Reagan has asked his specialists for reactions to the offer, and to
other Soviet arms proposals, when he returns in two weeks from Cal-
ifornia, the officials said.

As of now, the two sides have
proposed the elimination of medium-
range missiles in Europe, but they
differ on what to do about Soviet
missiles in Asia and about French
and British missiles.

Officials said Mr. Gorbachev
could be signaling a formula for
reducing some Soviet missiles in
Europe and Asia, and allowing the
United States to keep an equal
number in Europe and elsewhere.

Such an approach would be
more agreeable to West European
and Asian leaders, and would be
similar to an earlier U.S. offer.

The officials said the Gorbachev
offer was one of several factors
driving the United States to re-
consider its basic negotiating position.

Another factor is that, in the
State Department's view, the United
States should respond positively to
the Soviet Union's proposals or
risk jeopardizing arms talks.

Still another factor is concern
that Congress is cutting back on
Mr. Reagan's program to modern-
ize the nuclear forces, but they
could leave the United States without
bargaining chips.

The view, even among some
conservatives, is that we are now at
the peak of our leverage, and it is
all downhill from here," an official
said.

That view was reinforced by con-
gressional action in the last two
weeks. The Senate Armed Services
Committee voted to reduce the
president's request for the Strategic
Defense Initiative, the space-based
missile program, from \$4.8 billion
to \$3.6 billion.

The House Armed Services
Committee voted even deeper
cuts, to \$3.4 billion. It also decided
to limit deployment of the MX mis-
sile to 10 until the Pentagon
presented with the development
of the new and smaller mis-
sile, the Midgeman.

Officials also said the White
House was surprised by the
strength of congressional oppo-
sition to Mr. Reagan's statement in
May that he would no longer side
with the mutually limited of SALT-2,
the strategic arms treaty signed in
1979 but not ratified.

A number of officials character-
ized the Gorbachev letter to Mr.
Reagan as "practical" and "posi-
tive." Some said it was even "plausi-
ble" in references to disarmament.

Such a program, he said, "could
relieve up to two-thirds of the year-
ly debt burden on participating
Third World countries."

Mr. Bradley said that if all the
Latin American countries included in
the 15-nation debt plan put for-
ward last year by the U.S. Treasury
secretary, James A. Baker 3d, par-
ticipated fully in his three-year pro-
gram, "banks would contribute \$42
billion of debt relief, compared
with \$20 billion of new loans pro-
posed under the Baker plan."

Mr. Bradley said that even the
largest of the American banks, who
are the biggest holders of Third
World debt, "would lose no more
capital over a three-year peri-
od."

See BRADLEY, Page 2



Bill Bradley

U.S. Senator Seeks Annual Debt Summit

By Carl Gewirtz
International Herald Tribune

ZURICH — President Ronald
Reagan was urged on Sunday by a
U.S. senator, Bill Bradley, to con-
vene an annual summit meeting on
trade and debt relief that would be
led by the president of the World
Bank.

Speaking at an economic semi-
nar, Mr. Bradley, Democrat of
New Jersey, said the aim was to
link trade liberalization with debt
relief, and to encourage growth
prospects in the debtor countries
as well as in the creditor nations,
whose export industries have suf-
fered from the loss of foreign mar-
kets.

His suggested goal is to offer
debtor countries annually over
three years:

- Three percentage points of in-
terest-rate relief on all outstanding
debts owed to banks and govern-
ments.

- Three-percent withdrawal, or
foregone, of principal, to eligible
countries on all outstanding loans.

- \$3 billion of project and struc-
tural adjustment loans from the
multilateral lending institutions,
such as the World Bank and regional
development banks.

In return, Mr. Bradley said, the
debtor countries should liberalize
trade, encourage internal invest-
ment, pursue domestic policies that
promote growth and have broad
internal political support, and keep
debt management free from scadal-
ous.

"The value of each yearly trade-
relief package should depend on
the use that each debtor has made
of a previous year's package," Mr.
Bradley said.

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See BRADLEY, Page 2

Mitterrand Hopes, in U.S., to Dispel Ire

By Jim Hoagland
Washington Post Service

PARIS — In the midst of a re-
markable political comeback at
home, President Francois Mitterrand
travels to New York on
Wednesday for a meeting with
President Ronald Reagan that he
hopes will dispel the bitterness of the
French-American dispute over the bombing of Libya.

In a conversation at the Elysee
Palace, Mr. Mitterrand made it
clear that he was prepared to use
the occasion to put the differences
over the 1986 attack on Libya be-
hind the two allies.

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Francois Mitterrand

illings 150 Libyans who have done
nothing. You don't solve these
problems by collective reprisals. I
don't believe in collective reprisals.

His view, he said, "is not an act
of defiance against the United
States. This is a philosophy that I
have. The return of the overflight
was not a matter of being weak
against terrorism. They are two dif-
ferent questions."

He readily acknowledged that
recent American public opinion had
portrayed him as a villain.

In addition to meeting Mr. Rea-
gan, Mr. Mitterrand will take part
in the July 4 celebrations for the
centennial of the Statue of Liberty,
the only foreign leader invited. France
gave the statue to the United States
100 years ago.

But for a number of immediate
reasons beyond fence-mending, the
Socialist leader's trip to New York
is highly opportune for him, and
for Mr. Reagan.

Three days after he sees Mr. Rea-
gan for an hour-long private meet-
ing on Friday, Mr. Mitterrand
leaves Paris for Moscow, where he
will hold extended talks with the
Soviet leader, Mikhail S. Gorbachev.

As part of his detailed discussion
of arms control and strategic issues,
Mr. Mitterrand said that the pro-
gress of U.S.-Soviet talks on nu-
clear weapons in Geneva will help
determine whether France will go
ahead with its own nuclear weapon
modernization program, includ-
ing plans to build and deploy Eu-
rope's first neutron bomb.

"We will arm ourselves if they
continue to overarm themselves,"
he said of the superpowers.

Mr. Mitterrand said he is not will-
ing to permit France to be formally
associated with the Reagan adminis-
tration's Strategic Defense Initiative,
the space-based missile program,
from the space weapons pro-
gram from the new French prime
minister, Jacques Chirac.

The trip to New York comes as
Mr. Mitterrand and Mr. Chirac are
finishing the first 100 days of co-
habitation, the French term for the
unprecedented power-sharing ar-
rangement between the Socialist
president and Mr. Chirac, the lead-
er of the conservative parties that
won control of Parliament from the
Socialists in March.

Labeling a "land duck" president
in the early days after the legisla-
tive defeat, Mr. Mitterrand has
watched quietly as his self-styled
"land duck" president has made
himself a "man of the hour" in the
eyes of the French public.

Mr. Mitterrand has been steadily
boosting his standing in public opinion
polls. First matching and now, at 55 per-
cent, surpassing the approval rat-
ing of President Reagan.

See MITTERRAND, Page 6

Home-Buying Boom Sets Records in Parts of U.S.

By William K. Stevens
New York Times Service

PHILADELPHIA — The boom
in home sales that started this
spring is now shaping up in many
parts of the United States as the
hottest and hottest since shortly
after World War II, industry man-
agers and analysts say.

The Northeast, leading the way,
is now setting a record pace for
one month. And many of the
summer high season for home sales
will under way, real-estate profes-
sionals say that lower interest rates
and mortgage loans have released
so much pent-up demand that parts
of her regions are also experiencing

the biggest buying and selling binge
in recent years.

The surge is not uniform across
the country, or even within regions.
The major exception to the trend
is in the oil-producing states of the
South, where the economic prob-
lems produced by falling oil prices
have severely depressed real-estate
markets.

These conditions were re-
inforced last week by the National
Association of Realtors' monthly
report on sales of existing single-
family homes.

The report reflected a sustained
record-breaking increase in sales in
the Northeast in May and substan-
tial growth in the West. The South

showed a decline. The Middle
West, after a year-end perfor-
mance in April, recorded a slight
drop-off, but analysts said the mar-
ket there remained essentially ro-
bust.

The exceptions to the overall pic-
ture of health will probably keep
the boom from eclipsing post-
World War II sales records for the
country as a whole, the analysts
said.

The latest figures suggest that
the pace of home resales is hang-
ing in there at the 3.5-million level
a year, said Richard Peach, vice pres-
ident of forecasting and policy
analysis for the realtors' associa-
tion. That yearly rate, adjusted to

account for seasonal factors, is the
highest nationwide since 1978 and
1979, the most active real-estate
years since the association began
keeping records in 1969.

There are plenty of localities in
many regions, real-estate profes-
sionals say, where the market is at
the most active in memory. This is
especially true in the Northeast,
where Mr. Peach described the boom
as "unprecedented." From Penn-
sylvania to New England, houses
are selling at their most furious rate
since the boom in home construction
of the late 1940s and early
1950s, analysts say.

Sales of existing homes in the
Northeast, for example, were up
10 percent in May over the same
month a year ago.

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Polish Communist Party Meets

General Wojciech Jaruzelski, leader of the Polish Communist Party, delivering the opening address Sunday to a party congress. In the background is Mikhail S. Gorbachev, the Soviet leader. Page 2.

Amid War, Soviet Is Transforming Afghanistan

By William J. Eason
Los Angeles Times Service

KABUL, Afghanistan — A group of Afghan
children, some older than 9, spotted a foreigner
on the streets of this hot, dusty capital.

"Zakhorosha, tovarishch," they chorused,
"Hello, comrade," assuming that any for-
eigner here would speak Russian.

The encounter illustrated the growing Soviet
influence in Afghanistan since Soviet troops
intervened in the country in December 1979.
Moscow has deployed about 120,000 soldiers
to fight the anti-Communist guerrillas. And it is
trying to remodel Afghan society in the Soviet
image—down to Russian-language instruction
at the elementary-school level.

"It's beginning to be more like Moscow here
in Kabul," said a Western diplomat who has
served in both capitals.

Thousands of Soviet technicians are working

throughout Afghanistan, giving technical
and managerial assistance. Advisors from Moscow
permeate the government and are present in the
armed forces down to the battalion level.

Officers of the Soviet security police, the
KGB, advise Afghan counterparts on proce-
dures and operations. Many of the instructors
at the Kabul Polytechnical Institute are from
the Soviet Union.

At the nation's only olive cannery, half a
dozen Soviet specialists work on the factory
to ensure proper sterilization. The work force is
directed by an Afghan who was trained in an
institute in the Crimea.

A factory that produces prefabricated hous-
ing has 40 Soviet advisors on its staff. The
director, Abdul Hamid Rauti, said, "The Af-
ghans run things and the Soviets only give
advice."

Tens of thousands of Afghans have been sent

to the Soviet Union for training, including
children who, the authorities say, will spend a
decade or more in Soviet schools.

Large numbers have attended Russian-
language courses at the Kabul Polytechnical In-
stitute, a Soviet gift.

Western influence has all but disappeared.
The U.S.-operated American Center, which
once offered classes in English, closed its doors
years ago. Also shuttered were long-established
German and French schools.

Bakhtar Afghan Airlines, which was started
with the help of Pan American World Airways,
recently replaced its Western aircraft with Soviet
airliners. Even the Italian restaurant here has
closed.

Despite all the aid, however, Soviet-Afghan
relations are not without tension. Soviet bomb-
ing of Afghan territory in the war against the

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Poland Offers Amnesty To Selected Prisoners

By Bogdan Turcek
United Press International

WARSAW—General Wojciech Jaruzelski, the Communist Party leader, promised on Sunday a selective amnesty for political prisoners to signal a "return to normalcy" in Poland.

General Jaruzelski's offer, announced in a four-hour speech to the first Communist Party congress since the imposition of martial law in 1981, came as police clashed with 5,000 Solidarity sympathizers in the western city of Poznan who were marking the 1956 uprising.

Mikhail S. Gorbachev, the Soviet leader, was in the audience as the offer was made. Jaruzelski said that amnesty would be granted to those who remained after martial law was lifted in mid-1983.

"The situation in the country is characterized by a return to normalcy and creates the atmosphere for the weakening of the penal measures," General Jaruzelski said.

He promised a partial amnesty for certain Solidarity prisoners but specified that repeat offenders would not be covered.

General Jaruzelski's offer seemed to require a pledge of loyalty in exchange for freedom.

"The Central Committee," he said, "believes that there could be created yet another chance to return to normal life for people who have committed definite categories of offenses against the interests of the state—obviously on condition of adherence to the constitutional legal order."

More than 250 political prisoners are believed to be held in Polish prisons. Western countries have been critical of the limited nature of two previous partial amnesties announced by the government because some leaders of the outlawed trade union movement remained jailed.

General Jaruzelski also pledged to conduct a nationwide review of the efficiency of the law enforcement and to speed up the process of reforming the Soviet Communist Party congress in February by Mr. Gorbachev.

The Soviet leader's decision to attend was interpreted as an indication that General Jaruzelski has Moscow's full support.

Diplomats said that Mr. Gorbachev, in a speech expected Monday, may refer to the nuclear disaster at Chernobyl and to its effects on the Soviet Union's allies.

The trouble in Poznan began after a mass at a cathedral to honor 74 workers who were killed during the 1956 uprising.

"The workers in 1956 protested

the committed errors of authorities and put an end to the blood of Cardinal Glemp said before an estimated 30,000 participants of the commemoration.

Cardinal Glemp and all other Polish bishops went to the western city to mark the 30th anniversary of the uprising. Church sources said that authorities had tried to dissuade the church from holding the Mass the same day the congress opened.

After the Mass, about 5,000 people began marching to a monument erected to victims of the uprising but they were dispersed in about 15 minutes by police using clubs, whistles and tear gas.

Numerous detentions were reported.

POLICY: Shift on Pretoria

(Continued from Page 1)

charges under the emergency decree. Other leaders are in hiding or exile.

Within the administration, the official suggested, the consensus was growing that the Pretoria government was "becoming more and more defensive" and defiant of foreign criticism and pressure.

The official ruled out, at least for now, further U.S. economic sanctions. The bill would also give American companies six months to shut down their operations in South Africa. The bill was sent to the Senate, which has yet to vote on it.

What has led to the policy reassessment, according to officials in Washington, is the sense within the administration that U.S. leverage is diminishing at all levels. Moreover, the officials said, South Africa has turned into a growing issue in Congress, compelling the administration to respond.

Many legislators, the official said, endorse sanctions "out of a sense of frustration."

■ **Pressure on Reagan Is Rising**—Mr. Reagan, who has reluctantly resisted demands that he take a tougher stand against the apartheid regime in South Africa, is under increasing pressure from some of his closest allies on Capitol Hill who fear that his current policies will hurt the Republican Party in the fall elections. The Washington Post reported from Washington.



Zulu warriors entering a stadium in Soweto Sunday to hear their leader, Chief Gatsha Buthezi, criticize sanctions.

SOUTH AFRICA: Soweto Rally

(Continued from Page 1)

scattered dramatically in a white helicopter and stepped out, preceded by armed white security guards.

The government, which once ignored or belittled the chief, later has looked to him as a key black figure it would like to win over. Pretoria also would like Chief Buthezi to endorse and join the multiracial Nationalist Party Council, which is to be headed by President Pieter W. Botha. South African officials contend that the council will lead negotiations on the country's political future.

But the chief, who has avoided the government's embrace, made it clear Sunday that he would not join the council.

South Africa's official Bureau for Information also said in a statement Sunday that four black guerrillas, who it said were ANC members, were killed in a skirmish with security forces near the border with black-ruled Botswana.

The government acknowledged Saturday that Zwelakhe Simile, a black journalist and son of an imprisoned nationalist, Walter Sisulu, had been detained. It was the first time since the imposition of the state of emergency that the authorities confirmed the identity of someone they arrested.

PERU: A Slow Buildup to Violence

(Continued from Page 1)

deaths, according to the government. "You can't conduct any court transaction without having to bribe someone. The employees are poorly paid, ignorant and susceptible to corruption. By bribing them, prisoners can get anything. The result is that in the jails the prisoners run things."

Mr. Huastay, who has made many visits to El Fronton, said that the prisoners began periodic rebellions soon after they arrived.

One of the first things the prisoners won was the right to do their own cooking.

About two years ago, he said, they won an agreement that prison guards would waste the tower overlooking the cellblock and the patio. The only contact the prisoners had with the authorities was when civilian employees came through the gate morning and evening to open and close the door of the cellblock.

This made it possible for Shining Path guerrillas to organize their lives in relative freedom. On one side, the wall kept them away from the other three sides, rocky embankments dropped down to the rough concrete walls.

Another agreement, he said, gave prisoners the right to swim in the ocean as long as they did not go beyond a particular buoy.

What brought about Shining Path guerrillas' El Fronton, well to the east of the prison, was a series of jailbreaks that the group organized in the Ayacucho area in early 1985.

Officials said the government of former President Fernando Belaunde Terry had sought more secure places, where guards and the judicial authorities would feel threatened, and their families less threatened.

El Fronton, which had served as a detention center from 1930 until the mid-1970s, was reopened to receive the accused guerrillas.

There is general agreement that the government's version of how the prisoners took control of the cellblock and the version offered by people with links to Shining Path, where they may disagree in explaining why things occurred as they did.

Martha Huastay, a lawyer who has represented several men and women accused of being leaders of Shining Path, said only one of her clients had acknowledged in court being a member of Shining Path.

César Arana, spokesman for the Foreign Ministry, said the El Fronton prisoners had been able to take advantage of the overcrowding and the bad conditions existing in all Peruvian prisons.

They said rebels threw dynamite from an automobile at a Republic of Andes, a newspaper office in Lima, blowing out windows but causing no injuries. One of the prisoners had conditions occurring in a Lari-gancho.

WORLD BRIEFS

Europeans Back French Space Shuttle

PARIS (Reuters)—The European Space Agency has given formal backing to the French space shuttle project Hermes, inviting member countries to participate in final studies before deciding whether to go ahead with the program in June 1987, agency officials said over the weekend.

Hermes is designed to function as a manned space laboratory and as a shuttle vehicle to ferry astronauts to orbiting stations. But it is not designed to launch satellites, which will continue to go into space on unmanned Ariane rockets. The European Space Agency decided to back Hermes once Friday at the end of a three-day board meeting of the agency in Paris.

The Ariane rockets were grounded after a launch failure in May, but Frédéric d'Allest, chairman of Arianeespace, said in an interview published Friday that Ariane would be launching satellites again by early 1987. Arianeospace is the West European consortium that runs the Ariane program.

Iran Hits 2 Tankers in Gulf, 12 Hurt

DUBAI (Reuters)—Iranian aircraft attacked two tankers in territorial waters of the United Arab Emirates in what appeared to be Tehran's closest attempt to date on the Arab side of the Gulf, shipping sources said.

Ten of 12 crewmen were wounded in missile strikes Saturday against the Liberian-flag Korona and the Cypriot supertanker Superge, said aboard each ship, the sources said. One was seriously hurt.

Another ship was attacked off Dubai resulting in minor damage earlier in the week. The Korona, which already had one unexploded missile aboard from an Iranian attack on June 14, now had two, the sources said. The Superge was hit in its oil tank.

Bonner Said to Report She's Not Well

NEW YORK (NYT)—Yolena G. Bonner has told her son that her health has deteriorated since she returned to the Soviet Union early this month and that she is "extremely depressed." A family friend said.

According to the friend, Miss Bonner told her son, Alexei I. Smeyonov, that she had not been allowed to go from Gorky, where she is in internal exile, to Moscow to claim baggage that contained her prescriptions and medicine.

Mr. Smeyonov, a computer programmer who lives in Newton, Massachusetts, phoned Friday by telephone to Miss Bonner and her husband, Andrei I. Smeyonov, the physicist and physicist, according to the family friend, Robert Aronson of Washington, Mr. Aronson accompanied Miss Bonner to the Soviet Union on June 2 after her six-month visit in the United States for medical treatment.

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ARMS: Gorbachev Offers Medium-Missile Compromise

(Continued from Page 1)

he has made and is willing to make. They said that a principal message was that a summit meeting would be a waste of time without the promise of "concrete or material achievements" on limiting nuclear arms.

As previously reported, the letter reiterated Soviet concessions of interest in Geneva on strategic force. Soviet negotiators moved slightly toward the U.S. position on testing of space-based missile defense systems with the requirement that neither side would withdraw from the anti-ballistic missile treaty of 1972 for 10 to 20 more years.

The Russians also made concessions on strategic, or long-range, offensive forces.

On medium-range forces, this is where the talks stand: The United States has proposed

BRADLEY: Debt Summit

(Continued from Page 1)

to do so. Mr. Baker proposed, in any one of the last three years, more than 3 percent of capital.

In addition, he called for a preliminary review of bank regulations and interpretations of accounting rules to ease the burden on the banks.

The \$3 billion yearly to come from the two institutions is equal to what Mr. Baker proposed.

The key difference between the two plans, Mr. Baker said, is that by increasing bank loans under the Baker plan, the overall debt of Third World countries increases.

Mr. Baker said that the debt burden is increasing because of the debtors' failure to pay back loans.

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For the Record

President Bushman of Somalia has resumed official duties after five weeks of treatment for injuries he suffered in a car accident. He received a New York Times editorial.

The Virgin Atlantic Challenger II, a 72-foot (22-meter) power boat, broke trans-Atlantic crossing record Sunday by making the voyage from New York to Britain in 3 days, 9 hours and 31 minutes. The previous record was set by the liner United States in 1952.

An armed gang kidnapped 10 staff members together Saturday at the Municipal Gallery of Modern Art in Dublin, but an alarm went off and the men fled without any paintings, the police said.

DOONESBURY

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KABUL: Soviet Influence Growing

(Continued from Page 1)

resistance fighters, the mujahidins, has caused resentment, according to Western diplomats. Soviet citizens appear to fear that they will be targets of Afghan insurgents even in areas officially proclaimed to be safe.

It is dangerous, a Soviet journalist warned, to speak of Russians in the main bazaar. In the olive canopy on the outskirts of Jalalabad, 45 miles (70 kilometers) from the Pakistani border and the rebel's support camps, Soviet technicians were wearing sidearms although they were not permitted to carry them.

Personal relationships between Afghans and Soviet citizens are common.

The Soviet attitude toward Afghans has been particularly evident in the article in Pravda last January said that there had been opposition to some revolutionary decrees handed down by the government and said.

When dealing with Islam, the faith of nearly 98 percent of the Afghan people, the Russians have moved with care. The Afghan leaders make a point of taking part in religious services.

Both President Babrak Karmal and Major General Najibullah, the new general secretary of the People's Democratic Party of Afghanistan, were recently shown on the front pages of Kabul newspapers praying in a mosque at the end of the fasting month of Ramadan.

A potentially significant move, however, is the establishment of a Ministry of Islamic Affairs, an agency for "guiding the activity of religious institutions." It makes the mosques and madrasas dependent on the Kabul authorities for funds.

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HOMES: U.S. Sales Soar

(Continued from Page 1)

Northeast are up 22 percent over a year ago, as are their prices. The price of a house in the Northeast is the highest it has been in 10 years.

Robert J. Boyle, director of the National Association of Realtors, said that the price of a house in the Northeast is the highest it has been in 10 years.

According to the National Association of Realtors, the median house price in Boston rose from \$109,000 in the first quarter of 1984 to \$149,000 in the first quarter of 1986, a 37 percent jump.

In many other cities across the country, the market has become a seller's dream. In the most active areas, houses that are priced right sell overnight.

Bidding wars are common, driving home prices up. So is the demand for new homes by buyers who lose out in the bidding.

On the other hand, thousands of first-time buyers who previously could not afford a house find that the lower interest rates allow them to do so. Along with those who want to "trade up" to bigger homes, those who want to "trade down" to smaller ones, and speculators who just want to cash in on the boom, they are snapping up everything in sight.

Figure out sales of new homes also indicate the existence of a near-record boom. The Commerce Department reported that sales of new homes at an annual rate of 893,000 in March.

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ADVERTISING SECTION

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BOPHUTHATSWANA

A STRUGGLE FOR IDENTITY

THE REPUBLIC OF SOUTH AFRICA'S policy of apartheid, a system of separate development founded on the premise of enforced racial separation at every level of life, officially began when the Afrikaner-led National Party came to political power through elections in 1948. Apartheid is still statutory in South Africa and the population remains segregated in most political, economic, social and educational spheres.

One of apartheid's byproducts was the creation of ten tribal homelands which, constituting only 13 percent of the nation's territory, would eventually become independent, self-governing enclaves for the blacks.

The majority of the country's 25 million blacks, who represent three-quarters of the population, were officially established in the homelands, many of them by forced removal from their urban homes in other parts of South Africa. Four of the homelands, with a total population of six million, have accepted independence during the past decade — Transkei (1976), Bophuthatswana (1977), Venda (1979) and Ciskei (1981) — while another, KwaZulu, will be granted independence in December.

Nominal independence for the homelands, at a time when it appears that South Africa's apartheid policy is likely to be dismantled more violently than peacefully, has added another complication to the many complexities of South Africa.

Burkers argue that the black-governed homelands can be catalysts for change, while critics say they confine blacks to tribal areas and deprive them of their rights as South African-born citizens. Resolutions against the homelands have been passed in the United Nations and the Organization of African Unity

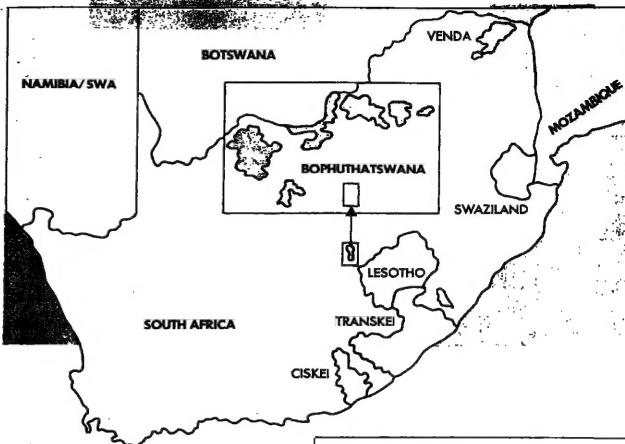
(OAU). None of the four homeland countries is yet recognized by the rest of the world.

This special section discusses Bophuthatswana and what has occurred since its peoples, the Baswana, attained independence on Dec. 6, 1977.

Bophuthatswana's tribal groups — including the Barolong, Bakwena, Bakgata, Barokwa, Balmunste and Balere — are related to those found in neighboring Botswana. Common sense seemingly would dictate that these peoples join to form one country, but they have been separated since 1895, when the southern portion of the British protectorate of Bechuanaland was annexed to the British-ruled Cape Colony. The independence of Botswana in 1966 officially divided the Baswana peoples, and the division was accentuated when the South African government declared Bophuthatswana a homeland. All these decisions were made without consulting the Baswana people.

Despite the irrationality of its existence, Bophuthatswana today is much like any other country. It has an elected government, its own constitution and bill of rights, its own flag and national anthem. It issues passports, has trade missions in a number of countries, earns revenue from a lucrative mining industry, has created an impressive infrastructure, competes to attract foreign investment, is negotiating to have its separate pieces of land consolidated, and is pleading its case in world forums.

But what will be the outcome of Bophuthatswana's struggle for identity? Is the country, which has outlasted apartheid and created a nonracial state, a precursor of an integrated southern Africa? Or is it destined to be regarded simply as an interesting social experiment and an eternal pawn of Pretoria?



CONDITIONS IN THE 60,000-hectare Pilanesberg nature reserve, started and stocked with game following independence, are not exactly austere. The tents contain raised ovens with fresh sheers and kerosene lanterns. Showers and toilets are nearby.

After spending an hour identifying the Southern Cross and other stars illuminating the skies of the southern hemisphere, a visitor enjoyed one of those satisfying sleeps associated with the wilds, and rose at 5 a.m. During a three-hour drive through the park one can see addax, giraffes, white rhinos, hippos, baboons and a dozen species of birds. One tourist mastered the animal's names in Seswaa and began repeating "Kedibone" — "I have seen them." But the cats, even as Manole means "place of the leopard," are elusive. To get a closer look at crocodiles, one can visit the Kwana Gardens Crocodile Paradise in Sun City.

Near Mmabatho, Credo Murewa, a Zulu president Mangope personally recruited from Soweto, has been creating a "cultural village" depicting the life of several African tribes. The author of "Isidaba My Children" explained the tribal, hereditary and deistic forces that created contemporary Africa. Then, at the new Bophuthatswana National Handicrafts Project (Bop Crafts), where Bophuthatswana from rural areas are being trained to produce ceramics, carpets, textiles and jewelry, a visitor bought a rug with \$900 won at the casino in Sun City.

The casinos, the third-highest game park south of the Zambesi River and other different tourist attractions may be booming in Bophuthatswana, but there are not many international visitors.

"The souping of the political climate in southern Africa has frightened away the tourists," said Langford Ledebale, Bophuthatswana's director of tourism. "Unfortunately, on a world map it looks like Mmabatho and Soweto are the same place."

But Bophuthatswana, like many other countries, is counting on the tourist industry to play an expanding role in its future. Facilities constantly are being expanded and upgraded. And despite the slump in the number of international visitors, some parts of the country are continually crowded. Sun City is filled to capacity most



One of the country's leading resorts is the complex at Sun City, but away from the glare there are choate and other animals in the nearby Pilanesberg nature reserve.

weekends and operates on an annual basis at a healthy 75 percent occupancy rate.

Sun City, the imaginatively landscaped resort located in an old volcanic crater, is hard to beat. There are three hotels (all owned and operated by Sun International Bophuthatswana), four theaters, a golf course designed by Gary Player, the only moonball in southern Africa, an arena seating 6,000, conference facilities, an artificial lake for water sports, tennis courts, a bowling alley and the second-largest gambling casino outside the United States, which accounts for more than 30 percent of the resort's revenue. Although the hotel lodge only 4,000 guests, a good weekend will record an additional 20,000 day visitors.

Sun International (Bophuthatswana), in which the government has a 47.5 percent stake, is a large contributor to the tourism effort. It also owns the Thaba Nchu Sun, located in a game reserve in the country's isolated southern end, and the Mmabatho Sun. Another major hotel

and resort project may be announced soon. And, of course, there are other facilities available. For fans of the Pilanesberg game park, Kwa Maritane has time-sharing apartments that are rented out during the year. Tshikolok, in the heart of the reserve, has bungalows with kitchens.



"This is a country for people who want adventure and open space," says Letshako, the scolding evolution of the game park. "Or who want entertainment in a nonracial atmosphere."

Tourism is not just modern. The prehistoric Bushman drawings and rock engravings can be seen at Sion. The museum in Mafikeng traces the evolution of the region, including the siege during the Boer war.

Until the political climate in South Africa becomes more stable, Bophuthatswana must resign itself to attracting a primarily South African-based tourist trade. For tourists willing to make the trip, however, the area is one of the least expensive in the world, due to the weak South African rand. A tent for two in the game park, complete with sheets and nearby showers, costs only \$15 a night. A spacious double room at one of the best hotels is less than \$50.

The declining value of the rand also makes some native-made wares and artifacts a good buy today. Afrikaners, known as the marble of Africa, is carved almost exclusively in Bophuthatswana. It is not too difficult to find Bushman artifacts from the nearby Kalahari desert. Bop Crafts also sells pottery, basketry, paintings, weaving and embroidery.

Bophuthatswana Facts

MENTION THIS COUNTRY TO MOST people and they have trouble pronouncing its name (the correct way is Bo-pu-ta-chwana). Or they confuse it with bordering Botswana. If they have heard of it at all, it is probably because of the resort and casino at Sun City.

Bophuthatswana consists of seven separate geographical units which, pieced together, would be about as large as Switzerland. The country became independent Dec. 6, 1977, after 90 percent of its 2.5 million citizens voted on that course.

Its principal language is Seswaa and its people are the Baswana (the singular is Moswaa). Bophuthatswana means "gathering of the Baswana people" and Mmabatho, the capital, is translated as "mother of peoples."

The country's symbols express hope for the future. The national flag has a cobalt blue background, divided by a cadmium orange stripe and the face of a leopard. Blue represents the infinity of the sky, orange the gold path along which the people will travel and the leopard the authority of the government. The coat of arms has a mine shaft which represents industry; the head of an ox and sorghum grains portray agriculture; a shield, open and used for defense and stability; and the leopard is the symbol of authority.

• Name: Republic of Bophuthatswana.

• Capital: Mmabatho (pop. 100,000).

• Date of Independence: Dec. 6, 1977.

• Area: 44,000 square kilometers, in seven geographical segments.

• Official Languages: Seswaa, English and Afrikaans.

• Population: 3 million (half living in the Republic of South Africa).

• Neighboring States: Botswana and the Republic of South Africa.

• Form of Government: Parliamentary democracy, with an executive president. The National Assembly consists of 108 members — 72 elected by direct popular vote, 24 nominated by regional authorities and 12 selected by the president. The president is elected by direct popular vote.

• Head of State: President Kgosi Lucas Mangope (Bop Crafts).

• Currency: South African Rand.

• Diplomatic Links: South Africa.

• Economic Links: Part of the Southern Africa Customs Union, which includes Botswana, Ciskei, Lesotho, South Africa, Swaziland, Transkei and Venda.

• Principal Products: Platinum, chrome, sorghum, other minerals, maize, wheat, beef, manufactured goods.

Into Africa

MONDAY, APRIL 28 — MAFIKENG, BOPHUTHATSWANA

Thirteen years ago I arrived here in the "white only" compartment of a train that had come from white-ruled Rhodesia (now Zimbabwe) through black-ruled Botswana into white-ruled South Africa. I got off in Mafikeng (Bophuthatswana changed the name back to Mafikeng in 1980) and immediately was reminded of a small town in the U.S. Midwest. There was a Main Street with wide sidewalks and a little river called the Malapa.

I visited the building where Lord Anthony Baden-Powell founded the Boy Scouts, tried to imagine the 21-day siege of Mafikeng during the Boer War and talked to some anthropologists who claimed the Baswana tribes were established in southern Africa as early as 450 A.D. — long before any whites arrived. Then, as today, the Mafikeng Victoria Hospital and St. Joseph's Convent were still standing as monuments to the colonial past.

The railway line still passes through here from Zimbabwe and Botswana, despite the fact that neither country recognizes Bophuthatswana. The business area hasn't changed much and still resembles pre-war America. There are, no high-rises and an above-ground parking lot. There is a Family Planning Center, the Bophuthatswana Building Society, Sam's Exclusive Men's Shop, the Old Mutual Insurance Company, a

Total gas station and the Parklane Ice Cream Parlor. The University Bookshop is stocked with current U.S. and English bestsellers. Foreign firms include John Dore, Bentley Bank, BMW and Toyota sales offices and a Siemens plant.

But there is one major difference between then and now. There is no more apartheid. As if to emphasize this political and social evolution, the bookstore window display features "Rites," "Hope and Suffering" by Desmond Tutu and "The Apartheid Handbook" Magazine like Ebony and Black Enterprise are available. The one vestige of the past, a white-only school, will be integrated soon.

No one I met in 1973 had an inkling that Mafikeng would become part of Bophuthatswana and that its 6,000 whites would be living under a black-led government. Many whites in nearby South Africa (the border is just a 10-minute drive away) and Johannesburg (300 kilometers away) still can't believe a black woman is buried in the one-white-only cemetery downtown, that there's an integrated high school and that the golf club has a black pro.

The transition is remarkable. Lucas Mangope, the president of this country, tried to convince me earlier this year that nominal Bophuthatswana is part of the solution in southern Africa. I argued that South Africa's homelands are an extension of apartheid, that he was a pawn of Pretoria and that his "independence" was debatable, if not fraudulent. His country, I said, consisted of seven enclaves surrounded by South Africa, with no real borders, there was a white South African minister of defense, that half the population worked in South Africa and his currency was the South African rand (worth less than a third what it was a decade ago).

Mangope (an apt name) is a soft-spoken, reasonable man who, as a tribal chief and president, has been in a position of leadership for decades. He admitted that Bophuthatswana has its share of troubles — the university was closed following demonstrations for a couple of months last year, miners went on strike for a few weeks last January and eleven people were killed by his police force at a demonstration in March. But he asked me to objectively weigh the progress his country had made and compare it to contemporary South Africa.

I came back to see.

This time, I arrived on Bop Air (everything in Bophuthatswana has become Bop something — Bop TV, Bop Air, Radio Bop), from Jan Smuts Airport in Johannesburg and was struck by the rich colors and smells that are Africa — the bright earth, the stunning green and yellow landscapes, the scent of the five-year drought.

What immediately impressed me was not Mafikeng but Mmabatho, the capital of Bophuthatswana, which has emerged from nothing on land belonging to the Barolong, one of the country's 76 tribes. I've been to other African cities — Yaounde in the Ivory Coast, Lilongwe in Malawi — but Mmabatho seems less pretentious, a little more real.

Everything is new, everything is clean. There is the University of Bophuthatswana (Uniba), a cultural center, a stadium designed by Israeli Goshkovich, shopping centers and schools of all sorts. The main government buildings are houses on a jarring high-rise. There are Chinese restaurants and a Kentucky Fried Chicken franchise, banks with long lines and roads with no potholes. Nearby, and throughout the country, there are still shanties with their roofs but there are also many new housing projects. There are, remarkably, no beggars.

Adam Mahomed, whose grandfather came here from India in 1904, works for the ministry of foreign affairs and spent the week taking me around the country. He voiced a typical sentiment our first afternoon together.

"People, including the South African government, expected us to fail, and fall flat."

Continued on next page

The President Speaks

LUCAS MANGOPE, WHO HAS BEEN PRESIDENT of Bophuthatswana since its independence, does not attempt to ignore the numerous problems facing his country. Despite the many social and economic advances since independence, including the abolition of apartheid and creation of a nonracial government, Mangope readily acknowledges that his country remains unrecognized by the international community as an illegitimate child of apartheid. The 62-year-old president, a former schoolteacher and son of a Baswana chief, discussed these and other issues during an interview in his offices in Maseru last month.

Question: Isn't it difficult to construct a nation from scratch and then have no nation, except white-ruled South Africa, recognize your existence?

Answer: It is extremely difficult and it is compounded by the level of ignorance about who we are and what we stand

for. Our independence is factual, constitutional and permanent, but international rejection is obviously very painful. People consider us a simple extension of the hideous policy of apartheid.

Question: When we opened for independence, we were aware we might be part of South Africa's long-term goals to keep the races separated. But we totally rejected our blueprint and have established an alternative society. We have eliminated all discriminatory laws based on race or color. We have wiped out all traces of apartheid.

Answer: But you are still considered a puppet of Pretoria. There are no physical borders between the countries, you have a white South African as minister of defense and one school in Mafikeng still does not have any black students.

Answer: We have no rigid borders today because we are still consolidating more South African territory into our country. Permanent borders would end these ongoing negotiations.

Question: Today there are signs we can join our six northernmost neighbors together within six days.

Answer: After 300 years of servitude, no one in my country had the slightest idea how to run a military machine. No country, except South Africa, would help us. I see no difference between my South African minister of defense, my British minister of finance and the American running the television station. I recruit competent people and appoint them on merit.

Question: The school in Mafikeng, which became part of Bophuthatswana in 1980, is the only one in the country which is not integrated. They are signs we can join our six northernmost neighbors together within six days.

Answer: Does this make me a puppet of Pretoria? I think it simply indicates that we've come a long way, and we've got a long

way to go. What do you expect after so many years of white domination? We've eradicated the bitter heritage of racism and have built a state that honors human rights and individual freedom for people of any color. This is not the way Pretoria envisaged things when we got independence.

Question: The homelands concept may be ridiculous but to say we are illegitimate, to say we are creatures of apartheid, is to totally ignore our history and our present.

Answer: What is your relationship with black Africa? Trainees through Bophuthatswana and from Zimbabwe and other African countries, and I see citizens from Botswana and Zimbabwe shopping here. But not even other African states recognize you.

Question: One vehicle you have for earning revenue is the resort in Sun City. But international artists and sportsmen are boycotting it today because they feel it is simply an extension of apartheid. Has Sun City backfired? Is it good publicity to let the tourists see unattractive shanties on route to Sun City?

Answer: I don't understand the negative attitude regarding Sun City because it fulfills the requirements for people who want to see a free society with a total absence of racial conflict. Like the rest of Bophuthatswana, it helps change the attitudes of visiting white South Africans. Tourists come, spend money and have a good time. We employ people and earn taxes. This makes sense to me.

Question: People boycott Sun City because of their understandable antipathy towards South Africa. But do they realize that we have ended apartheid?

Answer: I could have built new houses on route to Sun City but I have no desire to mislead people. This is the way things are — why minimize or exaggerate our defects?

Question: What is the internal situation here today? There were strikes at the platinum mines in January and 11 people were killed in Witwatersrand by police forces in March.

Answer: We had unrest in one district which is adjacent to South Africa and it did not have the backing of our people or it would have been more widespread. Witwatersrand is a terrible slur with a serious squatter problem. We inherited this squatter from South Africa. We are trying, in conjunction with South Africa, to improve conditions there. The courts are investigating the situation and appropriate action will be taken if the police were to blame for the violence.

Question: We permit Bophuthatswana unions to organize in the mines, but they are still in the gestation phase. The strike in

January was illegal and the miners were fired. There was no serious violence. An increase of Bophuthatswanan, rather than imported, miners with responsible union representation should alleviate further problems.

Question: Some of your development projects have been criticized as expensive white elephants. Do you need everything you've built?

Answer: For three hundred years we had a pronounced colonial background of deprivation. I have no apology to anybody for providing for prosperity and building roads, clinics, schools, training and manpower centers, cultural and civic centers, stadiums and even tennis courts.

Question: We are providing facilities for our people, especially the young, in an even-handed manner due to our financial ability. What will happen in South Africa with the pace of change we are seeing today?

Answer: I think those who encourage sanctions and urge disinvestment are part of the problem. Fewer jobs and a worsening economy will increase unemployment and crime. If this continues, there will be more poverty and more violence. I also don't agree with cultural and athletic boycotts because people should meet and exchange views, however much they might disagree.

Question: There have been significant changes in South Africa recently, much of them unthinkable even three years ago. But I have no idea where it is heading. Now does anyone else, unfortunately? Obviously, I would like to see a free society and democratic government, with equal opportunities regardless of color or religion.

Answer: What will happen in Bophuthatswana? Will you exist five years from now or perhaps become part of Botswana, or even a future confederation of southern African states?

Answer: It would be logical if we amalgamated with Botswana. It would be beneficial for both countries because we are the same people, have been separated by our colonial past and are separated today by a white-imposed artificial boundary. But we have had no official discussions with the government in Pretoria.

Question: If South Africa creates an abject a concentration that is better than ours in its protection of liberty and guarantees of free religion, then we would consider being part of a federal system.

Answer: If neither of these things occur, we will remain independent. We have traveled freedom and proved our worth. We will continue to develop this country.

Five Views of the Country

BOPHUTHATSWANANS READILY

express personal opinions about the existence and future of their country. Their feelings range from exultation and confidence to disillusionment and skepticism.

From prison to freedom. Jackie Ntseze, 48, reflected on the early sixties, when he was imprisoned on Robben Island, the South African equivalent of Alcatraz, off Cape Town.

"I grew up near Pretoria in the politically motivated and volatile township of Lady Selborne, where I listened to Nelson Mandela and other black leaders as a kid. At 15, I was jailed for not carrying a pass. At 17, I joined the ANC and later the Pan-African Congress (PAC). I simply wanted to assert human dignity and human rights and the PAC represented my aspirations. I was jailed for six months in 1960, sent to Robben Island from 1962-1966 and was banned for two years following my release."

Ntseze laughed when asked if he was tortured and displayed scars on his body that, he said, are a reminder of Robben Island. He had been working as a clerk at a government hospital when he was arrested.

"I spent a lot of time in solitary confinement and they showed me some bizarre torture methods. The white wardens, whom I suspect were mentally deficient, would suspend us on poles for long periods between two cables, like roasted pigs; they would attach wires to our ears, fingers, nose and genitals and turn on the juice; they would put us in budak sacks and throw us in water; they would bury us and then have other inmates push wheelbarrows, filled with stones from the quarry, over us."

"The result was that people who went to Robben Island for non-political reasons came out very political. When I was released I became a janitor in a bottle store for five years. Then I became a clerk. With independence in Bophuthatswana, I finally had some breathing space and today run a successful business."

A lot of people may call me a noogie because I'm not in the front lines, but I did my time and am content with competition on a professional level.

"I don't consider Bophuthatswana as part of the grand plan of apartheid and I'm irritated that the world gives us less. When I went to Hong Kong recently I insisted they let me in on my Bophuthatswana passport. After a long wait, they did. When I travel, I give people miniature Bophuthatswana flags and teach them how to pronounce the name of the country. I'm so amazed that many Europeans think I live in a hut that I invite them here to show them my house."

"I think South Africa can avoid an all-out civil war because the whites, as strong as their military is, know the blacks will fight to the death because we have nothing to lose. I see five more years of instability, five years of schizophrenic transition and an integrated government by 1995."

A vocal opposition. Joe Serazane, who works with the South African Council of Churches, actively opposes Bophuthatswana and everything it represents. A former inmate at Robben Island, he was "banned" to that area called Bophuthatswana, as he put it.

"My complaints about Bophuthatswana began as independence, because this step was an endorsement of the policy of separate development. I'm not impressed that I can now eat dinner and drink with whites. The fact is that we have been given an odd patch of land and a government with policies that are upside down. Africans do not need an international airport and a big sports stadium."

"I cannot look at Bophuthatswana without seeing white South Africa. The whole subcontinent, not just part of it, belongs to blacks and the white government is displacing us of our rightful land. How much longer should we play their game? I am South African and

should be entitled to go where I want to go and live where I want to live within my country. We need one unified country with no homelands, no separate development and a nonracial government."

"The increasing violence in South Africa could spill over into Bophuthatswana because it is part of the problem. With the way things are going today, I doubt that a major confrontation will be avoided."

A white perspective. Spencer Nindim still lives in the house in which he was born, built shortly after his father came to Mafikeng in 1890. He began practicing law in 1955 and one of his sons has joined his firm.

"Bophuthatswana is what I would like to see South Africa become — a nonracial society with healthy relations between people of different colors. I am glad that Mafikeng was incorporated into the country because business, which was largely profitable because of the black consumers, otherwise would have declined severely and we would have become a ghost town. There was

some opposition to the move but many whites who left are coming back.

"If South Africa does go nonracial then the homelands, including Bophuthatswana, might disappear. If that happens, there will still be the infrastructure here for a prosperous society under a different framework. Nothing that has been achieved can be taken away."

A woman's look. Marjorie Kuneke is a public relations officer at the Sun Hotel in Sun City. She was born in Mafikeng and first came here as a nurse in 1979. The most remarkable change in this society is that I can now live and work with whites, which was impossible only a decade ago. It is a great feeling to be able to breathe, spread my wings and be given serious professional challenges.

"It is very awkward for me to go to South Africa today because I forget it is a different setup and I am no

longer free. How ridiculous, how incredibly insulting, to have to go to a different toilet than a white woman! There are a lot of contradictions today. The same white can be rude to me in South Africa and polite here. When a white South African comes to the office, he often asks for my white colleague because this equality thing is new to him. Even whites living in Bophuthatswana are overly cautious because this is an experiment for them, too."

"We blacks have been so indoctrinated by apartheid that even with freedom we can't change overnight. A lot of us are still subservient without knowing it. We still have a long way to go. But I'm tired of hearing white South Africans asking for more time to solve their problems. The time is running out."

An outsider moves in. Vuzumzulu Credo Murewa is putting the finishing touches on the grave of a Baswana queen. A Zulu, he is bringing much of the African history, legends and customs he described in his book "Indaba My Children" back to life at a village he is constructing on a lake near Mafikeng.

A versatile scholar, who is also a painter, sculptor, poet and writer, 64-year-old Murewa is going about his task with the enthusiasm of a youngster. When two visitors arrived, he stopped and led them into the dark hut of a midwife.

"I am what you wrongly call a 'witch doctor.' Perhaps a better description is herbalist or teacher. I am trying to create a living museum so our children will see, rather than just read about, how their forefathers lived. I've been working here three years after completing similar projects in Kenya and Swaziland. President Mangoshe visited me in Swaziland, where much of my work was destroyed by the urban violence, and asked me to come."

"A lot of people, including members of the president's cabinet who are rushing quickly to become part of the modern world, think I'm a lunatic. But the president realizes we must fight to get contemporary Africans to recognize their heritage. Any man who gives me the opportunity to rebuild the African past knows what he is doing."



The first international artist to perform in Sun City was Frank Steyn, who was awarded the Order of the Leopard by Bophuthatswana President Lucas Mangoshe.

on our face," he said, pointing out the new President's Fund building. "But we've taken their apartheid and, by our success in government and commerce, thrown it in their faces."

The feeling is shared by white expatriates. "Many of my fellow white South Africans resent the fact that Bophuthatswana has dismantled apartheid without going down the drain," explained Carmen Nathan, dean of the Unibo law school. "They expected a nation of farmers instead of a prosperous multiracial society. The magnitude of change is revolutionary."

At the airport, I met Aris Greenberg, who immigrated here from Israel and a week ago started a day-free shop. This seems silly in a place where there are currently no international flights. But the new air strip is long enough to take 747s and there are passport and customs officers.

"I believe in the future and this country has one," Greenberg says. That evening at the Maseru Sun Hotel I sat back to normal. A decade ago it was, with rare exceptions, impossible to go into a bar in South Africa with a black, much less sit at the same table. The image of blacks and whites drinking, dining, gambling and sleeping together was preposterous, and illegal. Today, I can sit in Bophuthatswana with a black and discuss what life will be like when there is equality of races in all of South Africa.

And nobody arrests either one of us.

TUESDAY, APRIL 29

Jerry Reid, the director general of foreign affairs, introduced me to government officials of every color and background. They have told me what they think about Bophuthatswana.

The music in Bophuthatswana ranges from rock to a group playing traditional instruments at Maseru High School.

Schell Pinaar is head of Agrisur, the agricultural development agency which, like other government offices here, is surprisingly more computerized than many of its European equivalents. Pinaar, a white, was born in the Transvaal, came here seven years ago and plans to stay.

"While throughout southern Africa are confused about the future but there is positive direction here," he said. "I want to be part of the evolution of this country."

I met a number of other black and white expatriates living and working in Bophuthatswana. Dr. Makhodo, born in Kimberley, is public relations manager at Agrisur and previously lived in both London and Toronto; Francois de Clerck from Belgium teaches social sciences at the university; Paul Stone from the U.K. is head of the President Fund; David Dow Vasek runs D.B. Light; Richard Minton from the U.S. heads Bop TV; Chris Nilson, the government ombudsman, is from Zimbabwe; Tony Border, a white from South Africa, has a civil engineering firm in Maseru.

Many of these people are not particularly concerned that the country is blacklisted from the international community.

"So what if the world doesn't recognize us," said Nathan, who has applied for Bophuthatswana citizenship. "This country has done more alone in nine years than was done for them in the previous 300 years by the colonial powers. This is a blueprint for the future."

Paul Stone, who formerly worked for Cope & Lybrand in Lusaka and now administers the President Fund, a retirement fund for non-government workers, said Bophuthatswana is on the right road.

"This fund is an ideal way for a developing country to create a national pension scheme," said Stone, who noted that 80 percent of the fund's participants are under 35. "The country is repaying with sensible first steps of this nature."

At lunch I spoke with a mixed group called the Bophuthatswana Institute of International Affairs. The members are concerned about the outside view of South Africa. I said the recent steps taken by the South African government are generally regarded as "too little, too late," and that external pressures, in the form of sanctions and disinvestment, will probably be stepped up.

As a cocktail party I ran into the mayor of Mafikeng, the minister of defense and Leslie Selome, editor of the Mail. After dinner, Leslie and I went to the civic center to hear "Brenda and the Big Dads," a popular rock band from Cape Town.

WEDNESDAY, APRIL 30

One of the oddities of this country is that it is divided into seven geographical entities. Jerry Reid, Adam Nathaniel and I flew from the newly-built airport in Maseru over the Magaliesburg mountains, to Vanderbosch airport near Pretoria. During the flight Reid, who was President Mangoshe's private secretary for seven years, discussed the situation in southern Africa.

"The South African government realizes change must come but is facing reactionary pressures from the Afrikaner right wing," he said. "Despite that, there will be some kind of dramatic transition during the next few years and our self-sufficiency as a

Continued on next page

ADVERTISING SECTION

ADVERTISING SECTION



Leslie Schume, managing editor of *The Mail*, sits in his office in the building in which *Radio-Post* founded the *Day* State.

An Editor's View of the Homelands

THE SOUTH AFRICAN HOMELANDS POLICY, which led to the partitioning of a meager portion of the country's land mass for the settlement of indigenous black tribes, was calculated to provide a safety valve for the political ambitions of the black population. It would theoretically satisfy our growing clamor for a share in the government and control of our country.

The grandiose plan led to the creation of Bophuthatswana (for the Basutu people), KwaZulu (Zulu), Venda (Venda), Transkei (Xhosa), Ciskei (Xhosa), Lebowa (Sepedi), KwaNdebele (Ndebele), Qwaqwa (Sotho), KwaNdebele (Ndebele) and Gazankulu (Shangana). It was an important consequence of the obnoxious system of apartheid and its ramification of separate development.

The evolution of the homelands was rigidly controlled through the enforcement of the pass laws and influx control policies. These provided identity documents for blacks indicating the tribe to which we belonged. We could "legally" be removed from so-called "white urban areas" and taken to our designated homeland, irrespective of whether we had been born in "white" South Africa.

To induce blacks to accept the homelands plan, the government designated them self-governing states with the option of taking up "independence." With "independence" each homeland would be free to plan its own future and elect its own government.

The "self-governing states" and "independence" concept was a Hobson's choice. We had no real options. We could not even remain where we really are — South Africa by virtue of birth. Still, some of us felt the homelands would leave white South Africa with a number of Frankenstein monsters that, in the long run, she would not be able to control. Illegitimate in their creation, the homelands might be vehicles for change.

This is what has enabled Bophuthatswana to exist, although not official recognition, throughout much of the world. President Lucas Mangope has created a state which is vastly different from South Africa in outlook and day-to-day existence. Mangope, himself a victim of South Africa's racial discrimination since birth, went all out to develop a nautical society in which all men and women are equal. There are no trappings of race, color, religion or dogmatic political lines holding sway.

His theme is "a place for all." Today, blacks and whites actually live, work, eat, study, sleep and socialize together with, perhaps, problems and tensions similar to those that exist in

multiracial societies worldwide. The television and radio stations are free to criticize the government. Workers can form unions, politicians can form opposition parties. White South Africans, many of them rabid racists, flock here to sample life in a free country. And by exposing social mores which are taboo in Calvinistic South Africa, they add much revenue to our coffers and perhaps learn something.

All this and, lo and behold, the heavens have not fallen! But what will happen as the changing political circumstances in South Africa put Bophuthatswana's future into question?

It is a fact that blacks both inside and outside the country denigrate its existence. Some critics would like to see nothing else but the demise of Bophuthatswana, which they consider a symbol of separate development. But it is too late for that. You cannot unscramble a scrambled egg.

— Leslie Schume

Leslie Schume, managing editor of *The Mail*, is one of many black South Africans who have chosen to live and work in Bophuthatswana. This is how he got to Mmabatho:

I was born in Boksburg, Transvaal — one of the four provinces which constitute the Republic of South Africa. Boksburg is a mining town about 40 kilometers east of Johannesburg, and I lived in Sunnyside Location — "location" being the designation for a black area on the wrong side of the tracks.

Both my parents were Basutswana but I never regarded myself as a Mosewana, as decided for me by the South African authorities. That's because I lived in a cosmopolitan society with people of various black and white tribes. I was able to speak many African tribal dialects and considered myself completely despatched. I am a South African. I treated with contempt and protested the fact that white government authorities would decide otherwise.

When the homelands concept was introduced, I was vehemently against it. It went against my principles of being an urbanized black and I refused to accept the South African policy of divide and rule. Later, however, I faced the reality of the situation. I considered the policy an attempt to decentralize urbanization and encourage development for blacks.

I began to feel the homelands could provide training in government to blacks when, at the time, they had no hope of achieving this in racist South Africa. I considered such training essential, because some day blacks will take their place in a greater South African parliament. Some day blacks — all blacks — will achieve freedom and help rule South Africa. The homelands, I reasoned, were a step in this inevitable process. They could also create employment rather than encouraging blacks to inundate South African urban areas.

But not for one moment did I visualize myself as a resident in a homeland. Then, in late 1981, I was approached to take the position of managing editor of Bophuthatswana's weekly newspaper. I left my home in Soweto and was, quite frankly, smug at the development I found. And despite the abnormality of its creation, I now see in Bophuthatswana the future South Africa — a free country for all races. Indeed, in the field of pure human relationships, Bophuthatswana is years ahead of South Africa.

The country has experienced some unrest but I think this is an expected fallout from the situation in South Africa, and the fact that we have no rigid borders. Most citizens have closed ranks as their peace, tranquility and hard-gained possessions are challenged by those who want to involve Bophuthatswana in the fight against apartheid. We feel that because we do not have apartheid, we can help achieve freedom through peaceful negotiation and by example. We point out that we have achieved peace, progress and prosperity without a significant spilling of blood.

Although the ultimate future of southern Africa might lie in the creation of a United States of South Africa, many Bophuthatswanans are now prepared to fight to preserve the country they call home, not homeland.

Infrastructure: Starting from Scratch

WHATEVER THE FUTURE OF BOPHUTHATSWANA, the country has made significant progress during the past eight years in constructing an infrastructure, creating a stable workforce and attracting foreign investment. A modern road network has been laid throughout much of the territory. Ten dams have been built and electric power has been taken to previously-unsupplied areas.

Although schools, clinics and sports facilities have been constructed in most populated areas, the most conspicuous growth has been in Mmabatho. The capital has a 60,000-seat sports stadium, a new shopping center, a civic auditorium, cultural centers, television and radio stations and numerous government buildings and business offices.

The purse strings for government expenditure are controlled by Leslie Young, the minister of finance. He was recruited from the United Kingdom, where he managed a company with 12,000 employees. A

come is about R. 900,000 and the 1986 budget is R. 1 billion. Thirty percent is spent on public works (including roads, schools and buildings), 15 percent on education and 7 percent on health.

"The priority continues to be education, so we can catch up with yesterday and prepare for tomorrow," said Young, acknowledging that the government is sometimes criticized for not spending enough on housing.

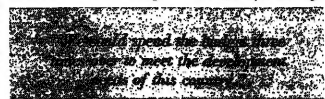
"We now have 103 high

Equally important are 51 "learning centers" for continuing adult education, and a manpower training center which places qualified personnel on the job market. The University of Bophuthatswana has 1,800 students (there were 7,500 applications for 500 places last year) and 125 professors and lecturers.

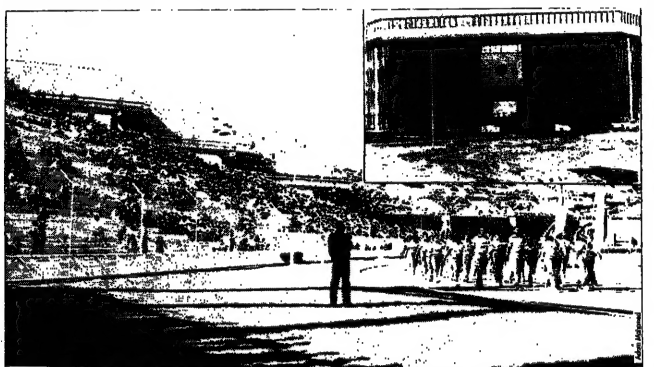
Meanwhile, some critics contend that some government-built projects, particularly the stadium, are a waste of money. Former economic adviser Karl Magyar says the country's development schemes "recall the ancient pyramids as a monument to the ruler, and all but bypass the black citizen."

Young takes such criticism in stride.

"I would estimate that today 95 percent of our development expenditure is essential," he concluded. "Tell a soccer team playing in the stadium that it's a white elephant and you'll be chased over the border."



Projects which have helped create Bophuthatswana's capital city of Mmabatho during the past seven years include the horse-shoe-shaped government headquarters, shopping complexes, an international airport, a 60,000-seat stadium and the new headquarters for the President's Fund.



The South African Position

WILLEM KOTZE IS SOUTH AFRICA'S AMBASSADOR to Bophuthatswana. He and his staff are the only diplomats from abroad stationed in Mmabatho. Kotze previously represented the Orange Free State town of Parys in the South African parliament and was appointed to his current position in 1982.

Question: Is Bophuthatswana an extension of apartheid and a puppet state of South Africa?

Answer: Bophuthatswana voted for independence and President Mangope is an outspoken critic of apartheid and many other policies of the South African government. The Bophuthatswana government expressed itself independently and has been a major force in asking the government to negotiate with the ANC and SWAPO (South West Africa People's Organization).

There is no denying that independence is a result of our policy of separate development. But there is no apartheid here today, and Bophuthatswana is an example that life can go on peacefully in southern Africa.

Obviously there is an ongoing relationship between South Africa and Bophuthatswana. We share common borders, feel there must be free movement of people and goods between the two countries, and continue negotiations regarding the addition of South African territory to Bophuthatswana. But this is not a puppet state and a dumping place for blacks, as critics charge. It is a viable country with enormous potential in agriculture, mining and tourism.

Then why do governments and artists boycott this place? They consider it an integral feature of South Africa's policy of apartheid and separate development.

I do not understand how Sun City and other parts of Bophuthatswana can be consid-

ered symbols of apartheid. I think there is a communistic-inspired strategy to prevent the international community from realizing the truth about the country. I believe it is part of the Soviet goal to create unrest in the whole of southern Africa. The problem that Bophuthatswana had with violence in Winterfeldt was partly due to the large number of squatters who want to live in an independent black state. But we have proof that it was fermented by outside agitators.

How does it feel for a white South African like yourself to live in this type of environment?

Whites don't have anything to fear here, but white South Africans were initially cautious because they have seen what has happened in other African countries when black governments came to power. Some whites who left here during the past eight years are starting to come back, and land values are increasing.

How do you feel about current external pressures to force

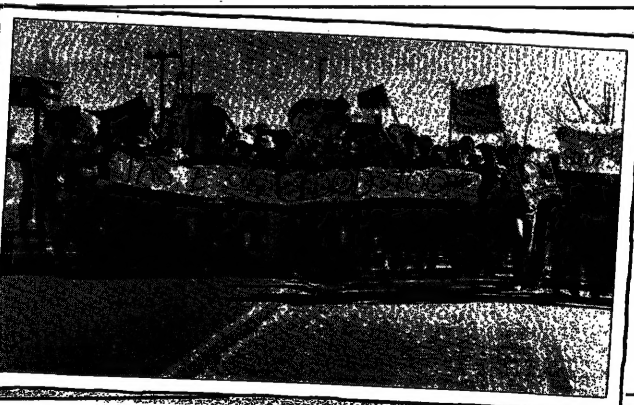
major political changes in South Africa?

They harm South Africa's economic infrastructure from top to bottom and I think the tension they cause is detrimental to negotiations. Changes cannot be made under pressure and if we do not reach agreement we cannot have peaceful changes. My government is working towards scrapping apartheid. A number of laws have been repealed and a more open society is being created.

What will southern Africa look like five years from now?

I hope it will be a peaceful area, but how it will be structured is not certain. We are working towards giving blacks representation at the highest level.

We will try to persuade other countries to recognize Bophuthatswana but obviously we cannot put any pressure on them. At the moment there is no indication that anyone will recognize Bophuthatswana. It is a pity because this country could be a major steppingstone for change in southern Africa.



reaction will be severely tested. I think that the different African tribes can assimilate into one country because there are just too many differences between us. But there might ultimately be a confederation of states in southern Africa, though I am not sure how the tribes will fit into such a scheme.

I personally found it odd to fly from nonracial Bophuthatswana into South Africa, which John Mahabane, the vice-chancellor of Unilever, refers to as "the old side." Some Bophuthatswanans also have difficulty dealing with the border's implications, but more than 45 percent of the country's inhabitants still live and work in the Republic.

"We hope to bring more people back to Bophuthatswana but can only create so many jobs," said Solomon Rabinov, the minister of manpower. "We understand the frustrations of working and living in South Africa."

That afternoon we visited the industrial townships of Babogya and Go-Ranabane. Some multinational companies leaving South Africa for political reasons have contracted for manufacturing and packaging of their products in Bophuthatswana. Because of the political situation, however, "Made in Bophuthatswana" does not always appear on products manufactured here. The packaging for one beauty product, for example, only gives address in Los Angeles and New York.

The industrial sites look like little shantytowns in the world except that a vast amount of land is available. In Makopani, 1,000 housing units are being erected by Liza Construction using Israeli material, and a new stadium designed by Israel Goodwin will be completed next year.

We drive through the town of Winterfeldt, where most roofs consist of tin sheeting weighed down by rocks. There are, said Rad, relatively few Basutswana living here. The population consists primarily of Zulus, Vendas and other rural blacks who seek work in neighboring Pretoria.

"We have an agreement with the South African government to jointly develop this

area, where close to 200,000 people live in a Little Soweto that can only be described as disgusting squalor," Rad explained, adding he will enter the area only with caution. "We inherited this mess and it is the direct result of South Africa's laws restricting the free movement of blacks. Unfortunately, it is our problem now."

Later, back in Mmabatho at a cocktail party, I had an animated discussion with the South African ambassador about the international media's role in his country.

THURSDAY, MAY 1

Bophuthatswana is remarkably formal for its hot climate. There are a lot of three-piece suits and ties. Says one government minister: "A bangover from the days of colonialism."

Everyone uses as work here today despite well-organized Labor Day stay-at-homes in South Africa, where there are speeches by black leaders like Winnie Mandela. Desmond Tutu and Mangosuthu Buthe, chief minister of KwaZulu.

I visited the Bophuthatswana Supreme Court and learned that there is a healthy conflict between the country's executive and judicial branches.

"When it comes to my court, the president is just another litigant and I have ruled against him a number of times," says Chief Justice Theol Stuart. "The constitution gives the courts the final word here."

During the day I spoke to a number of businessmen. Many felt that the currents of change in South Africa cannot be reversed and many said they hoped there will be power-sharing without domination by any one group.

"We do not want the post-apartheid society to have the constraints that we have today," said one white South African. "Immediate black majority rule would be as destructive as apartheid."

Stewart, the West German multinational, has an advertisement in *The Mail* proclaiming that it is "looking to the future of Bophuthatswana."

FRIDAY, MAY 2

Adam Mahabane and I got up at 6 a.m. to drive into the rising sun in another culture of Bophuthatswana. We passed a new water storage facility, new high rising power lines, a line and crocodile farm and entered South Africa. We stopped in Swartkops. Neither schools, hospitals nor churches here are integrated as they are in Bophuthatswana.

After passing a sign which says "You are now leaving South Africa," we spent the day at the Impala Platinum mine. That afternoon we arrived at Sun City, the resort which began with an overestimated bang in 1979 when its clientele, mainly white South Africans, got access to casinos, athletes and superstars they didn't have at home, like Rod Stewart, Liza Minnelli, Cher, Shirley Bassey, Frank Sinatra, and Julio Iglesias.

But Sun City, which has good, modern facilities, has hit a stumbling block. The international entertainers and sports stars are staying away. Although there is no apartheid here, Sun City has become a symbol of South Africa's policy of separate development. The lyrics in the recent hit song "We Ain't Gonna Play Sun City" go like this:

"Bophuthatswana is far away.
But we know it's in South Africa no matter what they say.
You can't buy me I don't care what you pay.
Don't ask me Sun City cause I ain't gonna play."

For Bophuthatswanans can understand why Sun City has become a pariah. They

Continued on next page

ADVERTISING SECTION

ADVERTISING SECTION



Mines extract wealth and are containing platinum from the Marikana reef.

The Mining Industry: Wealth Below Ground

THE SIX-TON BUCKET AT THE Bafokeng Mine's no. 12 shaft plunges 800 meters much more quickly than anticipated. The shaft is being sunk at a rate of four meters a day, and is halfway along in the five-year construction period needed to bring it into production. Now, before lucrative ore can be pulled out of the ground, a lot of drilling, blasting and cleaning is needed. Tunnels and conveyor, proceeding at about 12 meters a day, are extending from the main shaft to the Marikana reef, one of the world's richest veins of platinum.

The expanding mining works are one of the reasons Bophuthatswana, the western world's largest platinum producer with 30 percent of total world production, expects continuing revenue for growth. The nation's mining sector provides about 60 percent of the government's income (additional monies for the 120-square-kilometer lease are paid directly to the Bafokeng tribe which owns some of the land) and employs more than 60,000 people. In addition to platinum, the country has the following minerals as byproducts: salt, chrome, diamonds, copper and zinc. The government is also trying to attract companies looking for new ore bodies.

"The mining companies prospect under the same conditions and guarantees as in South Africa, where they are used to doing

business," explained Ben Marengwa, director of the mining and geological survey branch at the Department of Economic Affairs. "We attempt to make it as advantageous for them as possible."

There are 15 mines and 13 quarries in Bophuthatswana, but the most important is the production of platinum group metals by Impala Platinum's four mines. About 50,000 people, including almost 2,000 whites, work to produce an estimated 950,000 ounces of platinum annually for jewelry, automotive and electronics products, and coins and bars. This makes Impala, in which South Africa's General Mining Corp. (Gencor) holds a 43 percent stake, the free world's second largest producer of platinum after nearby Rustenburg Platinum, located in South Africa.

The training centers at the mines, which were first worked in the late 1960s, are today reaching unskilled Bophuthatswanas. Most come from rural areas and initially are given unskilled jobs for their six months underground. Thereafter, those with potential advance to more skilled jobs. Although, ultimately, refining of the precious metals is done near Johannesburg, the critical processing steps, including grinding, crushing, flotation and smelting, are undertaken in the large plant near the mines. The whole area is a mini-city, complete with a hospital, railroad, hotels, sports and entertainment facilities.

Not all as well at the mines. Impala dismissed 25,000 workers on Jan. 6, during an illegal strike which lasted almost three weeks and seriously disrupted production. The majority were rehired, and the mine, now back to regular production levels, believes that it can avoid serious labor unrest in the future. Before independence, only 17 percent of the miners here were from Bophuthatswana but today, according to the Ministry of Manpower, that figure is up to 65 percent. Formation of a local work force is considered the key to future stability.

"The people have realized since independence that the mines contain their own wealth," said Solomon Ratshe, minister of manpower, who noted that legal trade unions are currently being formed by the miners. "Bophuthatswana citizens are being elevated to positions of authority, which will improve conditions and underline the fact that these are their mines."

"Our goals are the stabilization of the labor force, and the attempt to encourage employees to accept mining as a long-term career," said Impala's Peter Noble, manager of manpower services organizations. He acknowledged, as the bucket quickly rose to the shaft entrance, that despite Impala's impressive safety record, mining remains one of the world's riskiest professions.

"Ask any miner here or anywhere else," joked Noble, heading for the locker room, "and he'll tell you that taking a shower is the best part of the business."

Agriculture: Wealth Above Ground

FIVE YEARS AGO, BOPHUTHATSWANA was self-sufficient in the production of maize, corn, sunflowers and groundnuts. In fact, it was one of the few nations in Africa capable of actually feeding itself.

Then came the devastating drought, five years ago, that has afflicted all of southern Africa.

The drought, the continuing economic recession in South Africa, and the destructive swarms of brown locusts in the western part of the country have adversely affected the short-term outlook. But Bophuthatswana is not neglecting agriculture, which employs about 20 percent of the population and includes 10,000 to 12,000 farms.

The government has created the Agricultural Development Corporation (Agricor) to coordinate agricultural production, development, training and agribusiness. The theme of Agricor, which has 400 employees, is "farmers" which means "farming together."

Among Agricor's recent creations are a training center in Mmabatho, more than 20 large agricultural projects involving 2,500 farmers throughout the country, and the development of a number of agribusiness production facilities.

"When the drought ends, we will again meet our goals of feeding the nation with its own resources," Schalk Pienaar,

growth in cooperative movements. He estimated that 60 percent of these have achieved profitability.

In addition, Bophuthatswana has well over a million head of cattle, sheep and goats and Agricor has earmarked additional land for ranching. President Mangoshe has developed a high-quality herd at his ranch in Lethurabe.

One factor in evaluating improvement in agriculture and

farming is that people are returning to the land.

"Many white farmers who left the country are coming back, while Bophuthatswanas are also returning to rural areas," concluded Pienaar. He said that a year from now, Agricor and other government bodies linked to agriculture will move into the new Agricor center constructed in Mmabatho. "There is the realization that income can grow from the ground."



Bophuthatswana is one of the few African countries capable of producing enough food to feed itself. Maize is a diet staple but cotton, groundnuts, sorghum, fruits and vegetables are also cultivated.

Getting in Touch

To find out more about Bophuthatswana, contact one of the following government missions:

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Above and below, right: The manufacturing sector in Bophuthatswana includes various, labor-intensive factories, and "medium-tech" companies or new industrial parks located throughout the country.

Industry: Made in Bophuthatswana

BOPHUTHATSWANA IS DOTTED with foreign products and multinational firms, ranging from Kentucky Fried Chicken to Ford motors, from BMW to Goodyear. The latest arrivals are half a dozen companies from the Republic of China—including the Wex Yie Plastic Factory and the Chai Shen Plastic Manufacturer—which are located in the Seleosha industrial park in Tlaba Ntsha. Each of the main industrial developments—Babalegi, Ge-Rankwase, Mogwase and Seleosha—has its share of international representation.

At the Mogwase industrial township near Sun City, ABCI has an explosives facility and there is a Firestone tire factory and a Japanese plastics works amidst locally-owned cabiers, furniture, clothing and athletic equipment manufacturers. In Sun City itself, Sun International (Bophuthatswana), which runs hotels and casinos throughout the country, is a major investor.

"This government has demonstrated its ability to get things done—and get things done quickly," Sol Kemner, chief executive of Sun International, said.

About 250 manufacturing companies, with an average investment of \$4 million, now employ a workforce of more than 20,000 with an additional 35,000 working in the trade and services sector. In total, more than \$1 billion has been invested by investors from South Africa, France, Germany, Israel, Italy, Britain, Japan, Taiwan and the United States.

"Foreign investment is the key to our future stability and we are fervent believers in promoting free enterprise," President Lucas Mangoshe said. "We will never nationalize investments and we help rather than hinder multinational firms who come here."

One reason foreign firms come to Bophuthatswana is because of its proximity to the Pretoria-Johannesburg-Malawi (PJM) triangle, which includes the main mining, industrial and consumer concentration. Bophuthatswana offers investors a reservoir of usable resources (land, labor, water, power and a transport and communication infrastructure), a healthy commercial environment and a solvent economy.

Visits to three major industrial townships—Babalegi, Ge-Rankwase and Mogwase—indicate that industry is as varied as the nationalities running it.

Academy Brushware in Ge-Rankwase will employ 650 persons by the end of the year and manufactures not only toothbrushes and brooms but also bumpers for Mercedes automobiles, using a plastic injection molding process. For its vast array of brushes, the company imports brushes from China and synthetic material from the U.S., Italy, West Germany, Taiwan and Mexico.

"We are not here to save money but to take advantage of the stability of the government and availability of labor," said Academy Brushware's works manager Peter Gruber, originally from

West Germany. "A lot of companies in South Africa will move here because of the security of operating in a democracy with majority rule."

Jill Gilman, marketing manager at Ne Le Mur, which packages perfume and pharmaceuticals, added: "We came because of a stable workforce which positively responds to the wishes of a black president."

The BMW factory in Ge-Rankwase exports 65 percent of the upholstery and high-quality leather to its manufacturers in Europe and U.S. markets, and 140 of the 180 employees directly work on export-designed products.

"We moved to Bophuthatswana because our South African operations were too large and we wanted to decentralize," explains BMW's Len Seelie. "One of the advantages here is the potential for expansion at a reasonable price."

D.B. Light, an Israeli company which recently located in Bophuthatswana to manufacture garden and industrial lighting fixtures, has other objectives.

"We wanted to service the African market and after only nine months we are selling Bophuthatswana-made products to Zambia and Malawi," general manager Dov Vaneck said. "We are also exporting to Israel because labor and raw materials are less expensive here."

The Bophuthatswana National Development Corporation (BNDC) has been established to provide foreign investors not only with information and guidance but also with loans. In addition, the BNDC has taken stakes of up to 50 percent in thirty companies, including Sun International (Bophuthatswana) and D.B. Light. It will spend about \$500 million for industrial and commercial property and on infrastructure development during the next five years. Investments include shopping complexes, factories for medium-sized industries and workshops for smaller business in rural areas.

BNDC head Johan Maree, a chartered accountant who previously worked for Societe Generale in Johannesburg, says the country is seeking labor-intensive industries like the Taiwanese companies who are making handbags and shoes.

"Made in Taiwan" is becoming "Made in Bophuthatswana," which is fine with us," Maree said. "We are actively encouraging foreign investment from throughout the world and are promoting ourselves by taking stands at events like the Hannover Fair."

For further information regarding investments in Bophuthatswana contact:

Johan Maree, managing director, Bophuthatswana National Development Corporation Limited, P.O. Box 3011, 8681 Mmabatho, Republic of Bophuthatswana. Telephone: (01401)-22151. Telex: 0937-3055.

Price Warehouse, P.O. Box 3426, 8681 Mmabatho, Republic of Bophuthatswana. Telephone: (01401)-22101. Telex: 0937-3014. Price Warehouse published a comprehensive booklet entitled "Doing Business in Bophuthatswana" last February.

Among benefits offered to foreign investors in Bophuthatswana are the following:

1. A wide variety of tax concessions in a commercial environment relatively free of restrictive legislation.
2. Ease of transfer of interest and capital.
3. Labor-training programs and special subsidies for employment creation.
4. Incentives for export.
5. Loans and grants of subsidized interest rates.
6. Ownership of land and property.
7. Reduced rates for electricity and transport.
8. Possible government participation in joint ventures.
9. Ready-built factory buildings.
10. Price preferences when tendering for sales to the government.



This section was written by Joel Strotte-McClure, who covered southern Africa for a number of publications from 1973 to 1976. He now lives in southern France.

point out that it employs 3,500 Bophuthatswanas. But Peter Wagner, the Austrian director of the complex, doubts that the reputation of the foreign tourists will come back until there is considerable political change in South Africa.

THE WEEKEND, MAY 3-4

The scene around the swimming pool at the Cascade Hotel is similar to that at hotels in Kenya, Zaire or Zambia. There are very few blacks sunbathing. But there are black and white South Africans, Italians and Japanese staying on my floor and the black staff resemble the United Nations.

At lunch, Peter Wagner discussed the artists' boycott: "Very few artists who performed here left with a bad impression, but they are literally afraid to come back because of the pressure from their peers. Who wants to be blacklisted or embarrassed? Fortunately, the adverse publicity does not affect the 95 percent of our business with South Africa, but it did help to have performers from other countries. To date there have been no racial incidents here, there is no apartheid and our international image is the complete opposite of reality. It's an education for white South Africans and everyone else to come here."

The only performer who still actively defies Sun City is Sinatra. But Wagner still keeps himself with the others on his staff will.

Sunday night in Mmabatho, I attended a jazz concert by a black American who does not want me to mention that he is violating the culture boycott. "My career would be ruined because Bophuthatswana is an extension of apartheid," he said, acknowledging that most foreign artists still get earnings from records they sell in South Africa.

MONDAY, MAY 5

I visited Thabo Molekane, the minister of foreign affairs, who gave me a quiz on the history of the blacks in Africa. Did I know, he asked, how the colonial powers

fragmented southern Africa, how the British ignored the plans of the tribes and their chiefs, a century ago? Molekane replied:

"I am very worried about the continued arrogance of the white western world which still keeps the colonial spirit alive. They fail to grasp that we blacks are like the tribes of Europe—the French, the Germans, the Italians—and want our own countries. I am part of the great Batswana nation and, even if apartheid is scrapped, I don't want to be part of South Africa. The world be damned if they won't recognize us. I do not like living in isolation but would rather do them live under inhuman bondage. We will continue to prosper and develop our own economic and human resources."

After a Rotary lunch and a presidential interview, I dined with some political dissenters. The black African musician is not the only person who does not want to be quoted. There is some tension in Bophuthatswana. Some residents, particularly at the university, fear they'll lose their jobs if they criticize the government. I visited the home of a woman who was born here, studied in Europe and has now returned.

She expressed her tiny little country because it is such an obvious shame," she said. "For policies are directly influenced by Pretoria, and ultimately the violence in South Africa will spread here. There will be no real change until apartheid and the racist political system are completely dismantled."

"At the same time, despite my complaints, I am very pleased to raise my kids here. They don't know what apartheid is, which I suppose is some accomplishment. And I'm staying because my fight is here. Like other South African blacks of this era, I am dedicated to a part of an historic change which will finally eliminate apartheid, one of the most disgusting aberrations of history."

TUESDAY, MAY 6

I read an interview with poet Bryan Beynon in a South African newspaper. "Apartheid is crumbling forever and a coming to power of the majority is inevitable,"

he said. An editorial in *The Citizen* (conservative) says the South African government must "end the violence that is tearing South Africa apart and give the country a better prospect of when it will be in five years."

"Once racial discrimination is scrapped," said Gavin Ruffy, chairman of Angle American Corporation, speaking at the Union, "there is no reason why southern Africa, of which Bophuthatswana is a significant part, should not join the ranks of the richer countries of the world."

I was interviewed on Bop TV, which, like Radio Bop, is considered to have "a mind of its own." As evidence, it recently broadcast an interview with Winnie Mandela, who is banned in South Africa, and it occasionally shows programs which irritate the South African censors.

In response to questions, I said that despite its obvious stride in eliminating racial tension and creating an impressive economic and educational infrastructure, the future of Bophuthatswana remains intertwined with that of South Africa and no one knows how much more violent tomorrow will be. I encouraged the opposition in Bophuthatswana to become more vocal and rational sons of the complainers and complainers I have heard about the government. The fact that my views are broadcast illustrates the freedom that exists here.

"Bophuthatswana should be given credit for abandoning apartheid and creating an infrastructure which is simply remarkable in the amount of time they've had," says Richard Minton, the American head of Bop TV. "It is amazing how low blind the world is to these concrete facts."

Flying back to Europe, I conducted an informal poll during stopovers at the airports in Madrid and Paris. Most of the twenty people I questioned did not know that apartheid doesn't exist in Bophuthatswana. In fact, one of them had overheard of the place.

MONDAY, JUNE 30, 1986

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EUROBONDS

First Half of This Year Sees Record Volume of Issues

By CARL GEWIRTZ
International Herald Tribune

PARIS—A record volume of Eurobonds was launched in the first half of this year, up 37 percent from a year ago to \$91.73 billion, data compiled by Salomon Brothers show.

The U.S. dollar remained the dominant currency, although much less so than last year, accounting for 54 percent of 46 issues (\$54.2 billion) compared with 76 percent (\$51 billion) in the first six months of 1985.

Floating-rate notes fell back to second place (behind fixed-rate straight issues) after two years as the most active Euro-dollar sector. The volume of dollar FRNs, which doubled in 1984, increased 60 percent last year, numbered 56 percent to \$16.6 billion, as issuers shed to lock in low-cost financing this year.

This was reflected in the percentage increase over the volume of straight Eurodollar bonds (\$39 billion) issued during the first six months of 1986.

The fastest growing of the dollar sectors was the "floater" bond, the equivalent of \$2.1 billion in 1985, compared with \$1.9 billion in the year earlier.

Despite sizable gains in activity in other European currencies, the European currency market failed to keep pace. The volume of ECU issues rose 38 percent to the equivalent of \$4.8 billion, but the volume of issues was tripled.

The so-called convenience currency—used to swap into U.S. dollars and other major currencies—almost matched the ECU in importance. The Australian dollar accounted for the equivalent \$4 billion in the first half. The New Zealand dollar was used for \$1 million of new issues.

Meanwhile, in the market last week, investors remained cautiously optimistic about making new commitments. Most professionals believe that interest rates are headed lower. Their view is in sharp contrast to the market's view that interest rates are headed higher—despite greater-than-expected growth in money supply—probably following a cut by the Japanese, which is expected after the July 6 election.

THIS ANALYSIS WAS credited with lifting bond prices last week, and as a result average yields to maturity declined. Outstanding five-year paper ended the week ending 7.72 percent. Credit Suisse First Boston reported, down 7.95 percent a week earlier, while yields on 10-year Eurodollar bonds slipped to 8.27 from 8.47 percent.

However, the gains did not match that of New York and, as a result, the differential between Eurobonds and U.S. Treasury paper widened, with five-year Eurobonds yielding 37 basis points more, up from 32 a week earlier. On 10-year Eurobonds, the yield is 65 basis points over Treasury paper, up from 55 a week ago.

The optimism of professionals, however, found little echo in the market, where the cautious and relative safety of investment-grade notes.

Belgium launched \$400 million of 10-year notes at the lowest rate yet. Interest is set at the London interbank bid rate, or bid, and the offering price was set at 100.20—in effect, a rate interest of 0.20 points below the Treasury rate of 10.20. The six points meant that underwriters got the notes at a cost of 1.60 points below bid.

The notes, as usual for Belgium (which always worries about being its paper out of the hands of Belgium tax residents), are registered form rather than the standard bearer bonds and are in denominations (\$250,000).

The low cost stirred some surprise, although informed sources pointed that even lower terms had been proposed to the government but rejected out of concern that the paper would not sell. Those worries were unfounded, and the notes traded at a full premium to the issue price, up to 100.25.

Analysis attributed the heavy demand to a paucity of high-grade sovereign paper and to a renewed spirit in demand from Japanese investors.

Later last week, Japan relaxed the limits on overseas investment by trust banks on their loan trust accounts, raising to 3 percent from 1 percent the amount that can be invested abroad, the equivalent of about \$140 billion in held in these accounts, meaning that an additional \$2.8 billion can now be used to buy foreign securities.

There was very little demand for fixed-rate paper. Eurofima, a European government-owned agency that finances purchases

Last Week's Markets

All figures are as of close of trading Friday

Stock Indices			
United States	Percent	Points	Previous
Dow Jones	+0.35	2,784.10	2,784.10
S&P 500	+0.35	2,784.10	2,784.10
Nikkei 225	+0.35	2,784.10	2,784.10
London	+0.35	2,784.10	2,784.10
Paris	+0.35	2,784.10	2,784.10
Frankfurt	+0.35	2,784.10	2,784.10
Amsterdam	+0.35	2,784.10	2,784.10
Brussels	+0.35	2,784.10	2,784.10
Zurich	+0.35	2,784.10	2,784.10
Geneva	+0.35	2,784.10	2,784.10
Stockholm	+0.35	2,784.10	2,784.10
Copenhagen	+0.35	2,784.10	2,784.10
Helsinki	+0.35	2,784.10	2,784.10
Oslo	+0.35	2,784.10	2,784.10
Stockholm	+0.35	2,784.10	2,784.10
Copenhagen	+0.35	2,784.10	2,784.10
Helsinki	+0.35	2,784.10	2,784.10
Oslo	+0.35	2,784.10	2,784.10

Currency Rates

All figures are as of close of trading Friday

Money Rates			
United States	Percent	Points	Previous
Discount rate	5.00	5.00	5.00
Federal funds rate	5.00	5.00	5.00
Prime rate	5.00	5.00	5.00
Commercial paper	5.00	5.00	5.00
Call money	5.00	5.00	5.00
Overnight	5.00	5.00	5.00
3-month	5.00	5.00	5.00
6-month	5.00	5.00	5.00
1-year	5.00	5.00	5.00
2-year	5.00	5.00	5.00
3-year	5.00	5.00	5.00
4-year	5.00	5.00	5.00
5-year	5.00	5.00	5.00
10-year	5.00	5.00	5.00
15-year	5.00	5.00	5.00
20-year	5.00	5.00	5.00
25-year	5.00	5.00	5.00
30-year	5.00	5.00	5.00

Currency Rates

All figures are as of close of trading Friday

Currency Rates			
United States	Percent	Points	Previous
Discount rate	5.00	5.00	5.00
Federal funds rate	5.00	5.00	5.00
Prime rate	5.00	5.00	5.00
Commercial paper	5.00	5.00	5.00
Call money	5.00	5.00	5.00
Overnight	5.00	5.00	5.00
3-month	5.00	5.00	5.00
6-month	5.00	5.00	5.00
1-year	5.00	5.00	5.00
2-year	5.00	5.00	5.00
3-year	5.00	5.00	5.00
4-year	5.00	5.00	5.00
5-year	5.00	5.00	5.00
10-year	5.00	5.00	5.00
15-year	5.00	5.00	5.00
20-year	5.00	5.00	5.00
25-year	5.00	5.00	5.00
30-year	5.00	5.00	5.00

Silicon Glen Revives Scotland's Economy

By Jeff Ferry
Washington Post Service

GLASGOW—Life has changed for Debra Page in the year and a half since she transferred from the Massachusetts headquarters of Digital Equipment Corp. to the company's computer plant in what people here call Silicon Glen.

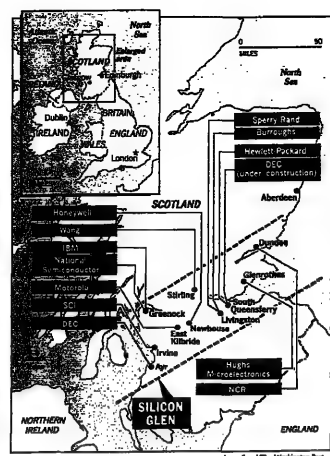
"I love the contrast," she says, "between our plant where everything is real and the little villages all around where life is simple and natural and down to earth. It's hard to explain to people back home that you may be late driving to work because there were sheep crossing at the roundabout and you have to stop and wait for them to get out of the way."

Miss Page is one of a massive handful of Americans working in Scotland for Digital Equipment, the computer giant's European company in the United States and also a major employer in the Scottish Highlands.

Since International Business Machines Corp. set up shop in 1951 in Greenock on the West Coast of Scotland, the country has become populated with U.S. computer companies, which now account for most of the country's economic activity. Once synonymous with heavy industry, Scotland today is in the midst of an economic renaissance that is making it a world center of the computer industry.

Like the rest of Britain, Scotland suffers from severe unemployment and recession in its traditional industries, but the new money, the doing of two new shipyards was announced.

But at the same time, Scotland's computer industry is booming. Output has quadrupled since 1980. This rugged and



LARRY PUGH/THE WASHINGTON POST

With three airports, it has excellent transportation links. When Stirling Chemical Co. of Japan completes its plant for producing rare silicon, Scotland will have a role in every stage of information-system production, from silicon to microprocessors to components to complete systems.

American companies play a crucial role in Silicon Glen. The Scottish Development Agency estimates that 60-odd American companies account for 72 percent of Scotland's electronics revenue. It is as if American industry is repaying a century-old debt it owes for the contribution great Scotsmen such as Andrew

Caughy, James Watt and James Clerk Maxwell made to the world of science and technology.

Mr. Caughy, a Glasgow-born inventor, was the first to develop the concept of a self-heating lamp, which is now a standard feature of many electronic devices.

Mr. Watt, a Glasgow-born inventor, was the first to develop the concept of a self-heating lamp, which is now a standard feature of many electronic devices.

Mr. Clerk Maxwell, a Glasgow-born physicist, was the first to develop the concept of a self-heating lamp, which is now a standard feature of many electronic devices.

Japan May Broaden Scope of Southeast Asian Aid

By Michael Richardson
International Herald Tribune

MANILA—Japan last promised to "consider" broadening its official aid to Southeast Asia, following criticism from its media trading partners in the region.

But Japan's foreign minister, Shintaro Arisaka, says no public indication in meetings last week with the six members of the Association of South East Asian Nations, that Tokyo was prepared to ease its long-standing policy of no aid to the region.

At the end of a visit to South Korea on Saturday, Prime Minister Nakasone said that Japan's aid to the region was "under review."

ASEAN officials were skeptical about Mr. Arisaka's statement, saying they were waiting to see if Japan was serious about broadening its aid.

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He said that Japan was "buying ASEAN primary commodities at reduced prices, while ASEAN buys Japanese manufactured goods at higher prices."

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OPEC Majority Reaches Accord, But 4 Disagree

By Bob Hagerly
International Herald Tribune

BRISTOL, England—The Organization of Petroleum Exporting Countries (OPEC) majority reached an agreement Sunday to raise oil prices by 10 percent, but four members—Algeria, Iraq, Libya and Saudi Arabia—disagreed.

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SOLVAY 1985: Once again a good year for the Group

Profit maintained at the 1984 level

1985 turned out to be a favorable year for the chemical industry in Europe and Solvay succeeded in maintaining a record level of profitability in 1985.

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Profit maintained at the 1984 level

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International Bond Prices

Area	Security	% Yield	Price	Yield	Area	Security	% Yield	Price	Yield
(Continued)									
NEW ZEALAND									
100	100	100	100	100	100	100	100	100	100
NORWAY									
100	100	100	100	100	100	100	100	100	100
PORTUGAL									
100	100	100	100	100	100	100	100	100	100
SOUTH AFRICA									
100	100	100	100	100	100	100	100	100	100
SOUTH AMERICA									
100	100	100	100	100	100	100	100	100	100
SPAIN									
100	100	100	100	100	100	100	100	100	100
SUPRANATIONAL									
100	100	100	100	100	100	100	100	100	100

Area	Security	% Yield	Price	Yield	Area	Security	% Yield	Price	Yield
EURO CURRENCY UNITS									
100	100	100	100	100	100	100	100	100	100
NORWAY KRONERS									
100	100	100	100	100	100	100	100	100	100
POUNDS STERLING									
100	100	100	100	100	100	100	100	100	100
FRENCH FRANCS									
100	100	100	100	100	100	100	100	100	100
JAPANESE YEN (EURO)									
100	100	100	100	100	100	100	100	100	100
CANADIAN DOLLARS									
100	100	100	100	100	100	100	100	100	100

This announcement appears only as a matter of record only

BNP Pacific (Australia) Limited

(A company incorporated in New South Wales, Australia; a wholly-owned subsidiary of the Banque Nationale de Paris)

A \$ 51,000,000
12 1/2 per cent. Notes due 1989
 (Payable in U.S. dollars)

Guaranteed by

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Issue Price 100 3/4 per cent.

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 BANQUE BRUXELLES LAMBERT S.A.
 DRESNER BANK
 AKTIONSBANK

ALGEMENE BANK NEDERLAND N.V.
 BANKAMERICA CAPITAL MARKETS GROUP
 WESTPAC BANKING CORPORATION

BANKERS TRUST INTERNATIONAL LIMITED
 CHEMICAL BANK INTERNATIONAL GROUP
 DAIWA EUROPE LIMITED
 MITSUBISHI FINANCE INTERNATIONAL LIMITED
 MORGAN STANLEY INTERNATIONAL
 UNITED OVERSEAS BANK

CIBC Limited
 CREDIT SUISSE FIRST BOSTON LIMITED
 KLEINWORT, BENSON LTD.
 MORGAN GUARANTY LTD
 SUMITOMO TRUST INTERNATIONAL LIMITED
 S.G. WARBURG & CO. LTD.

21st May, 1986.

CONVERTIBLE BONDS

Area	Security	% Yield	Price	Yield	Area	Security	% Yield	Price	Yield
EUROPE									
100	100	100	100	100	100	100	100	100	100
JAPAN									
100	100	100	100	100	100	100	100	100	100
MISCELLANEOUS									
100	100	100	100	100	100	100	100	100	100
UNITED STATES AMERICA									
100	100	100	100	100	100	100	100	100	100

HIGHEST CURRENT YIELDS
 On convertibles having a conversion premium of less than 10%.

Explanation of Symbols

The Daily Source for International Investors.

Herald Tribune

Place in U.S. Periodicals on West Coast
 Soviet Union Intensifies Its Campaign Against NATO Missile Program

هكمان الأول

NASDAQ National List

OTC consolidated trading for week ended Friday.

Stock	High	Low	Last	Chg
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0

Mutual Funds

Percent of Close of Trading Friday

Fund	High	Low	Last	Chg
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0

Stock	High	Low	Last	Chg
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
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Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
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Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0

Stock	High	Low	Last	Chg
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
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Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0
Alcoa	28 1/4	28 1/4	28 1/4	0

New Issue

All the securities having been sold, this advertisement appears as a matter of record only.

June 1986

NIB

Nordiska Investeringsbanken
(Nordic Investment Bank)

Helsinki Finland

Foreign Interest Payment Bonds 1986 ff
of SFr. 200 000 000BANQUE GUTZWILLER, KURT, BUNGENER S.A.
CREDIT COMMERCIAL DE FRANCE (SUISSE) S.A.
SAMUEL MONTAGU (SUISSE) S.A.BANQUE NATIONALE DE PARIS (SUISSE) S.A.
INTERNATIONALE GENOSSENSCHAFTSBANK AG
J. HENRY SCHRODER BANK AG

BANCA DI CREDITO COMMERCIALE E MOBILIARE S.A.

BANCA DEL SEMPIONE

BANCA SOLARI & BLUM S.A.

BANK IN HUTTWIL

BANK IN HUS

BANK LANGENTHAL

BANK IN LANGENAU

BANK NEUMÜNSTER

BANK ROHNER AG

BANK DE DEPOTS ET DE GESTION

BANQUE LOUIS-DREYFUS EN SUISSE S.A.

CREDIT LYONNAIS FINANZ AG ZÜRICH

GREAT PACIFIC CAPITAL S.A.

GRINDLAYS BANK p.l.c.

E. GUTZWILLER & CIE, Banquiers

OVERLAND TRUST BANK

RUEGG BANK AG

ST. GALLISCHE CREDITANSTALT

SOCIETÀ BANCARIA TICINESE

SOLTHURNER HANDELSBANK

SPAR- UND LEIHKASSE SCHAFFHAUSEN

VOLKSBANK WILLISAU AG

MORGAN STANLEY S.A.

NIPPON KANGYO KAKUMARU (SUISSE) S.A.

BANCO EXTERIOR (SUIZA) S.A.

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BANQUE SCANDINAVIEN EN SUISSE

CHEMICAL BANK (SUISSE)

COMPAGNIE DE BANQUE ET D'INVESTISSEMENTS, CBI

DAIWA FINANZ AG

KREDITBANK (SUISSE) S.A.

LIECHTENSTEINISCHE LANDESBANK

LÖTCH (SCHWEIZ) AG

MITSUBISHI FINANZ (SCHWEIZ) AG

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MITSUI FINANZ (SCHWEIZ) AG

NOMURA (SWITZERLAND) LTD

SANWA FINANZ (SCHWEIZ) AG

SANYO SECURITIES AND FINANCE (SWITZERLAND) S.A.

SODITIC S.A.

STATE STREET BANK (SWITZERLAND)

STEGEER FINANZ AG

SUMITOMO INTERNATIONAL FINANCE AG

SUMITOMO TRUST FINANCE (SWITZERLAND) LTD

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We're offering you a good deal, buy an American Express Card.

This card opens the way to 22 cities in Europe, 27 in North and South America, 16 in the Middle East and Africa, and to Japan. With schedules, local airfares, and more.

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The American Express Card. Don't leave home without it.

OTC Consolidated trading for week ended Friday

Chicago Exchange Options

Figures as of close of trading Friday

American Exchange Options

Figures as of close of trading Friday

(Continued on next page)

SPORTS

Argentina Beats West Germany, 3-2, in Terse World Cup Final

Burruchaga Scores Last Goal

By Nesha Starcevic

MEXICO CITY — Jorge Burruchaga revived his sagging team with a goal six minutes from the end of regulation time Sunday and gave Argentina its second World Cup championship in eight years with a 3-2 victory over West Germany.

Argentina took a 2-0 lead on goals by defender José Luis Brown and forward Jorge Valdano. But Karl-Heinz Rummenigge and Rudi Völler scored eight minutes apart for West Germany late in the second half.

The Argentines were in control of the game until West Germany pushed all 10 men into the attack, struck for those two goals. Burruchaga then sneaked behind the defense after taking a pass from star teammate Diego Maradona and beat charging goalkeeper Harald Schumacher from 10 yards (nine meters). Maradona also helped set up Valdano's goal.

The Argentines won their first title in 1978, at home. The Germans lost for the third time in a record five trips to the final. West Germany, which won the title in 1954 and 1974, was seeking to become the first European team to win it in Latin America.

West Germany lost to Italy in 1982 and to England in 1966 in the second World Cup final appearances.

Argentina finished this tournament with a 6-0-1 record. West Germany was 4-2-1.

Brown, who nearly kept the team two months ago after heavy criticism of his play, scored his first goal for the national team at 22

minutes. He scored high to head home a free kick by Burruchaga after Schumacher had misjudged the curve of the ball.

Valdano made it 2-0 with a 12-yard shot after passes from Maradona and Hector Enrique fired him behind the defense. As Schumacher came out to challenge, Valdano put home a right-footed kick at 55 minutes for his fourth goal of the tournament.

Rummenigge scored at 73 minutes; that was only the seventh goal of the tournament for West Germany, and his first, and came from a corner kick by Rummengigge by Völler.

Eight minutes later, Völler got free in the goalmouth and headed home a pass from Thomas Berthold off a corner kick by Breime.

The Germans seemed to have the edge, but Maradona and Burruchaga quickly reversed the trend.

After Argentina had won, the clearly partisan crowd of 114,500 cheered mightily as the players were presented the championship trophy. Blue-and-white Argentine flags were waved throughout the stands as Maradona and his teammates held high the World Cup.

The Germans, playing before Chancellor Helmut Kohl, assigned Lothar Matthäus to guard Maradona, who nearly set up a goal in the first five minutes. But his corner kick was struck wide by Sergio Baisita.

The opening 15 minutes were marked by light defense and crunching tackles, particularly by the Germans.



A header by José Luis Brown, right, beat West German goalie Harald Schumacher to open the scoring 22 minutes into the cup final.

They appealed for a penalty kick when Brown fouled Hans-Peter Briegel on the edge of the penalty area in the 16th minute. Referee Romaldo Arppi Filho of Brazil awarded a free kick just outside the area, and the Germans wasted two chances. The referee ordered the first kick retaken after the Argentine blocking wall refused to move back 10 yards.

Maradona was cautioned for protesting that decision. Matthäus was cautioned in the 21st minute for a late tackle on Maradona. West Germany's best scoring chance of the first half came off a long pass by Karl-Heinz Förster to

Berthold. The latter's header toward Rummenigge was sliced off by the veteran striker. Burruchaga and Maradona combined on a free passing exchange two minutes later, but Schumacher came out quickly to disrupt Maradona's charge.

Argentina opened the second half with a rush and Burruchaga broke through the defense only to lose control of the ball in the penalty area.

France Struggles to 3d Place

Compiled by Our Staff From Dispatches

PUEBLA, Mexico — France won a soccer match Saturday that many thought should not have been played.

The 4-2 defeat of Belgium, after a 30-minute overtime, gave the French third place in the World Cup tournament.

But it was a hollow victory after the disappointment of having lost a second successive semifinal to West Germany three days earlier.

Neither French manager Henri Michel nor his counterpart, Guy Thys of Belgium, wanted to play further when Nico Claessen scored for Belgium in the 73rd minute, tying the score and adding an extra half-hour to the monotony.

A penalty shoot-out was at least spared when midfielder Bernard Genghini restored France's lead after 104 minutes and Manuel Amoros, having been brought down by Eric Gerets, scored on a penalty kick at the 109th minute.

France, the European champion, finished the tournament with a 5-1-1 record, Belgium, which got this far in a World Cup for the first time, was 3-3-1.

Only the young players on the French side showed any eagerness for the contest — and one of them, Jean-Pierre Papin, failed to score on two easy shots.

The first, 10 minutes into the match, was the more embarrassing. A pass from Amoros fell in front of Papin, who shot wide with the goal open. A minute later, his club captain at FC Breuges, Jan Golemar, broke away to put Belgium in front.

ball in, but a hand pass was on Philippe Verwilt.

The French finally tied after minutes when Jean-Marc Pennant sent a powerful shot past Jean-Marc Pfaff after receiving a pass from Verwilt.

Philippe Desmet missed in fine opportunity to restore Belgium's lead after 36 minutes, shot going far over the top of the net, and two minutes from the interval Papin scored for the first time when he took a pass from Genghini and slid the ball home after sloppy defensive work by Belgians in front of Pfaff. Genghini was given too much room just as the penalty area and his club captain found Papin free on the edge of a 15-yard shot.

Belgium came close to tying again after 55 minutes, when Stefaan Denon's shot hit the side netting, then missed a 2-2 with 17 minutes when Claessen scored easily.

It was the last international match for defender Maxime Bossis, who was named the tournament's best substitute to gain a French 76th cap.

The French did not direct the field stars Michel Platini and Alain Giresse and used mostly substitutes and players who had not played in the tournament.

Most of its regular players (AP).

France's Rocheteau Retire.

French striker Dominique Douchet, 31, following three test matches, announced Saturday his retirement from international football. Agence France Presse reported from Puebla.

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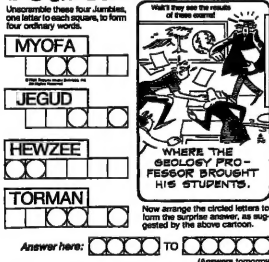
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DENNIS THE MENACE



"IF I CATCH A WHALE, WILL YOU HELP ME CLEAN IT?"

JUMBLE



Answer here: _____ TO _____

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	72	58	Seoul	72	58
Athens	72	58	Hong Kong	72	58
Bombay	72	58	Manila	72	58
Buenos Aires	72	58	Osaka	72	58
Cairo	72	58	Shanghai	72	58
Calcutta	72	58	Singapore	72	58
Colon	72	58	Taipei	72	58
Cuba	72	58	Tokyo	72	58
Hankow	72	58			
Hong Kong	72	58			
Kobe	72	58			
London	72	58			
Lyons	72	58			
Madrid	72	58			
Moscow	72	58			
New York	72	58			
Paris	72	58			
Porto	72	58			
Rangoon	72	58			
San Francisco	72	58			
Shanghai	72	58			
Singapore	72	58			
Sourabaya	72	58			
Tientsin	72	58			
Yokohama	72	58			

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Amman 72 58
Baghdad 72 58
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Yamouba 72 58

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Tunis 72 58

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PEANUTS



WELCOME TO THE FIRST MEETING OF OUR POLKA CLUB!

WE'RE ALL HERE TO HAVE A GOOD TIME SO LET'S GET STARTED.

CHOOSE YOUR PARTNERS!

DO YOU COME HERE OFTEN?

BLONDIE



I BOUGHT A NEW SUIT

LET'S SEE IT ON

WELL, WHAT DO YOU THINK?

I THINK YOU'D BETTER RETURN IT

BEETLE BAILEY



I'VE HEARD OF GUYS WHO FALL ASLEEP THE MINUTE THEIR HEAD TOUCHES THE PILLOW

BUT BEETLE ZONKED OFF THE MINUTE HIS HEAD TOUCHES THE BEP

ANDY CAPP



OH, BEETLE, YOUR BLACK AND WHITE PHOTO IS JUST WHAT I NEED

THANKS FOR SAYING THAT

THANK YOU

THANK YOU VERY MUCH

WIZARD OF ID



REFUSE. WANDA BUY A WATCH FOR A BUKE?

HOW COME SO CHEAP?

THEY COME DIRECT FROM THE FACTORY TO YOU

SOMEONE LEFT THE FACTORY UNLOCKED

REX MORGAN



ARRIVING AT THE PHONE BOOTH FROM WHERE ALICE MORGAN CALLED

THEY'RE HERE FIND THE SEMI-CONSCIOUS STATE, HAVING BEEN BEATEN BY JASPER?

SHALL I CALL FOR AN AMBULANCE?

NO, THE HOSPITAL IS ONLY TEN MINUTES FROM HERE

AND WHEN WE GET THERE I'LL CALLING THE POLICE TO FILE CHARGES AGAINST JASPER!

WELL, TAKE HER IN CAR.

GARFIELD



WHY HELLO THERE, LITTLE SPIDER

HERE, MAKE YOURSELF AT HOME. SHARE MY FOOD, MY

MY LIBRARY

WHUMP!

6-30

THE STRAW GIANT, Triumph and Failure: America's Armed Forces

By Arthur T. Hadley, 314 pages, \$19.95

Random House, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Christopher Lehmann-Haupt

If you happen to care about the adequacy of the U.S. armed forces, then "The Straw Giant" is discouraging in the way that most recent critiques of the United States' military strength are discouraging. Arthur T. Hadley, a reporter who has been a consultant to the Joint Chiefs of Staff and has written seven books, among them "The Nation's Safety and Arms Control," begins by reminding us in painful detail of the catastrophic 1980 hostage-rescue operation in the desert of Iran.

He next identifies six "basic themes" that "helped create the disaster at Desert One." First among these is what he terms "the Great Divide," or the long-standing separation of the military from the financial, business, political, and intellectual elites of this country, particularly from the last two. Second is the destructive twin, "Intraview Rivalry," and, less well known but almost as damaging, "Intraview Rivalry." Third is "Flawed Organization," a dull subject, but then "the dull as is the one most apt to glance off the log and remove your foot."

Hadley's fourth theme is the frequent imbalance between supply and demand. Forces, or what he calls the "Tooth-to-Tail" problem, meaning the ability to prepare both the front and rear ends of our fighting machine. Fifth is "Overcontrol" or what he terms the "Russification" of the armed forces, by which he means both overcontrol from above and the top-heavy ratio of officers to enlisted men. Sixth, and last, is "KAFKA," pronounced K-f-a, (since this is a military book) has made up a new acronym, "KAFKA," for "Kafkaesque." Contributing to the Action, referred to inside the armed services more politely as "personnel management." The picture that emerges is the usual extremely gloomy one.

Now, it's true that Hadley provides a certain degree of relief from the gloom. For one thing, there's a fair amount of fresh material here to keep us diverted. As well as reminding us, say,

2 West Virginia Miners Missing After Lightning Detonates Dynamite

United Press International

DRENNEN, West Virginia — Rescue teams searched Sunday for two miners missing after lightning detonated dynamite charges that they had placed at a surface coal mine.

The missing men had placed dynamite in 17 locations at the High Power Energy Co. mine at Drennen and were preparing to detonate it Saturday when lightning set off the charges prematurely, officials said.

In surface coal mining, dynamite is used to remove layers of soil to reach the coal.

Christopher Lehmann-Haupt is on the staff The New York Times.

BRIDGE

By Alan Truscott

THE diagrammed deal illus-

trates the advantage of

showing a fit for partner

moderately when the opening

bid is doubled. In one case, as

shown, East contributed a

jump raise to three diamonds

when West's one-diamond

opening was doubled. Some

experts would rise in a diffi-

culty position, with a surface

jump to two no-trump.

South's optimistic jump to

four spades led the auction

and West was able to lead the

diamond suit. South had to

in dummy and was immediat-

ly in difficulty. He did not find

the winning path: Cash the

club ace and ruff a club; ruff

a diamond and ruff a club;

club; lead to the heart ace

and ruff a heart; ruff yet an-

other diamond and lead a club.

At this point, South has nine

tricks and still has 10-9-8 of

trumps and the diamond

guise. He cannot be prevented

from scoring a trump trick, for

if East ruffs, the diamond

guise is discarded. But this

needs very exact timing

and the play East redoubled

on the first round and had no

chance to show his diamond

support. West did not have any

indication to lead a diamond

and tried a club. South was

able to finesse the queen and

had no trouble in making 11

contracts.

NORTH

AKQ73

AKQ84

AKQ84

AKQ84

AKQ84

AKQ84

AKQ84

AKQ84

AKQ84

AKQ84

